App. F. IX-4

1921.

File No. 44-11

Previous References (Legis)

Serial Nos. 1-5

(P-126) Leg 1871

Later References
bl 60-38(1-3)

General and Revenue Secretariat.

A Collection

Serial Nos. File

Manuscript **Part B for** September 1918.

SUBJECT

Amendment of the Co-operative Societies Regulation, 1905.

Ramaswamy Iyengar
9-11-21

1911

~~Previous References~~ File No.47-1911.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.
and
PROCEEDINGS OF THE GENERAL (REVENUE SECRETARIAT.)

For September 1918.

Judicial and Legislative(Legislation).

"A" Collection. Serial No 1-5.

Amendment of the Cooperative Societies Regulation, 1905.

Table of contents

Serial No	Number and date of letter and contents	Page in A Proceedings
1.	From the Registrar of Cooperative Societies in Mysore. No 2351 dated 19-4-15. Furnishes his opinion regarding the proposed amendment of the Cooperative Societies Regulation.	
2.	To the Hon'ble the Resident in Mysore. No Pol 4727 dated 18-2-17. Forwards a copy of the Bill and states that the Bill will be placed before the Legislative Council in due course.	
3.	From the First Assistant to the Resident. No 1933 dated 13-3-17. Intimates that the Resident sees no prima facie objection to the Bill.	
4.	From the Registrar of Cooperative Societies. No nil dated 21-12-17. Suggests an amendment to Cl 13 (3) of the Bill as amneded by the Select Committee.	
5.	To the Compiler, Mysore Gazette. No G 4658 dated 2-9-18. Orders the publication of the Regulation as Regulation No VII of 1918	

T V R.

G.R.S. 11]

1911-12

GENERAL AND REVENUE SECRETARIAT.

(Legis)

NOTES.

File No. 47-11

FILE HEADING.

Amendment of the Co-operative Societies Regulation, 1905

From The Registrar of Co-operative Societies in Mysore, Bangalore

No. 876 C.S. Dated 14/15/5/12 Received 20/5/12

Diary No.	Enclos.	Spare Copies.	Serial No.
3095			1

BRIEF ABSTRACT OF LETTER.

States that the Govt of India have repealed & amended the Co-operative Societies Act of 1904 and have passed a new amended act as Act II of 1912 and requests that Govt may take up the question of suitably amending the Co-operative Societies Reg. 1905.

NOTES AND ORDERS.

Submitted with references and the Gazettes containing the bill Govt of India Bill, the report of the S.C., the and the Act discussion on the bill in the Legislative and the Act.

S.V.S. 5/6/12

J.R. 5/6/12

NOTES—First Sheet.

GPB—30,000—27-6-11

G. R. S. 12]

General and Revenue Secretariat.

Legis File No. 47 of 191

Serial No. 82

Hans 1198.

Drafts sent. K. V. Ananthanarayanan Le 8/6/12

M.R. 8/6/12

8/6/12

To Hanamayya with plan

Spent time in person with him for

J. R. Srinivasayya 8/6/12

SK 7/6/12

1/ The Secretary drives that the Registrar of the Co-operative Societies may first be requested to furnish in detail a Memorandum showing the necessity for the a change in the law the defects of the Existing Regulation and the advantages of the new may be discussed

2 After the receipt of the Registrar's memorandum, the question whether Mr. Shama Rao may also be Consulted may be considered.

3 To Bora for taking further action.

Boardman 8/6/12 L. Hanamayya

NOTE—Contn. sheet.

GPB—20,000—26-1-12

G. R. S. 12]

General and Revenue Secretariat.

Legs File No. 47 of 191 /

Serial No.	
H. Dec 1912	Draft sent accordingly: M.R. 20/6 Bvn. B.V.N. 15) Ismere 24/6. H. V. Anantharaman.
	To the Registrar of Cooperative Societies do H 1353-54 / 25-6-12 Requests him to furnish Govt with a memorandum stating the necessity for a change in the law as existing in regard to the Cooperative Societies
	From the Registrar of Co. Societies do /320/6 & 442 / 12/2/1913 Submits his suggestions in regard to the amending of the Cooperative Societies Regn. 15) It is now for orders whether Mr Shama Rao has to be consulted as per Mr Hiranmaya's note on the previous page.
	Mr Shama Rao may be asked to 17/2 Bvn 17) 16) per advance copy the Amended Regulations & Rules S. Shyamanna 17/2
	18) He can be consulted demi-officially, if the

NOTE—Contn. sheet.

R. S. 12]

General and Revenue Secretariat.

Legis File No. 47 of 1913

Serial No.

Secretary permits. Unofficial reference is inappropriate here official reference perhaps is expedient
D. M. Narasinga Rao
Dr 7/2

Hmis 1148-11

Barlow

Dy Secy may be addressed
K. R. Srinivasa Iyengar
22/2 Draft 22/2

Draft D O Sd

22/2 Abm 24) Accompanied Do
S. Shamanna
25/2

Revised D O Sd
26/2 Abm
S. Shamanna
26/2

Issue
D. Narasinga Rao
27/2

To M. Shama Rao Esq. M.A. Dy. Director of Education. D O No. 4872 & 28-2-1913. Requests him to favor Govt. with his opinion on the need for amending the Regulation generally and specially on certain points specified and to state the lines on which the amendments have to be made.

From the above officer No. 1468 12-8-1913.
Furnishes his opinion with the draft of the amended Regulation together with a statement

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

G. R. S. 12]

General and Revenue Secretariat. | Legis File No. 47 of 1911

Serial No.

of objects and reasons.

24 The draft Regulation sent in by Mr. Shamakas is an exact copy of the new British Indian Act. Some omissions and slight changes, due to copying, are indicated in black lead pencil in draft itself. These number eleven. After approval they will be inked. The sections of the existing Regn and of the new draft are countermarked against each other.

25 The principal changes proposed in the draft Regn are explained in the statement of objects and reasons. The following are some of the points not dealt with therein:-

If no fee is fixed for registration it is equivalent to saying that Regn shall be free. CSS 21/1/14.

A 1) Clause (5) of Section 6 of the Regn relating to the non-levying of fees for registration of societies has been omitted in the draft. So also in the New British Indian Act. The reason for this has not been explained.

B 2) Clause (a) of section 24(2) of the existing Regn has been omitted in the draft. This is perhaps due to it being redundant.

C 3) The provisions of Sec 25(2) of the existing Regn that "a notification exempting any society from the fees referred to in sub-section (1) Clause (c) may provide for the withdrawal of such exemption" have been omitted in the draft. No reason has been ~~cred~~ assigned for this omission.

NOTE—Contn. sheet.

GIP—65,000—17-6-12.

D of power by Govt. to make rules (1) providing for the rate at which interest may be paid on deposits and (2) prescribing the conditions to be complied with by a society applying for financial assistance of Government (Sec 27(2) clauses (x) and (y)) have been omitted in the draft. The reason for this has not been explained.

5) Sec 32 (1) (b) of the Act of 1912 provides for the funds of a society being invested "in E any of the securities specified in Sec 20 of the Indian Trusts Act, 1882". This provision has been omitted in the draft.

6) The proviso to Section 39 clause (5) of Act II of 1912 giving power to Govt to "direct, by notification, that appeals shall lie to F such revenue authority as may be specified in the notification" has been omitted in the draft. Nothing has been said as to whether it is not desirable for Govt. having such power.

Paper under desp (no 2) 26 The Registrar in his letter dt 12.2.1913 proposed, among other things, the embodying the rules as to Regn deciding disputes in a better form in the Regn itself. Mr. Shama

do 2 Rao however says that he is not in favor of

NOTE—Contn. sheet.

GIP—65,000—17-6-12.

T. R. S. 12]

General and Revenue Secretariat. Legis File No. 47 of 1911

Serial No.

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B is perhaps due to it being redundant.

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CSS 2/5/14.

NOTE—Contn. sheet.

GIP—65,000—17-6-12.

General and Revenue Secretariat. | Legis File No. 47 of 191/

Serial No.

4) The provision relating to the reservation of power by Govt. to make rules (1) providing
D for the rate at which interest may be paid on deposits and (2) prescribing the conditions to be complied with by a society applying for financial assistance of Government (Sec 27(2) clauses (x) and (y)) have been omitted in the draft. The reason for this has not been explained.

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NOTE—Contn. sheet.

GIP—65,000—17-6-12.

(9

G. R. S. 12]

General and Revenue Secretariat. | Legis File No. 47 of 1911

Serial No.

Jl nos 328-13

been expunged. As for Government assistance Govt always have got the right to get any information they want and no special mention thereof is necessary

E In India where general and Commercial education is great this latitude may with safety be given but in Mysore this restriction should, I think, stand. Funds may be invested in approved securities viz Govt Securities or in Central Banks and nowhere else.

The Trusts Act is not in force in Mysore - Hence probably the omission

F The rules to be framed may well deal with this question also. It seems unnecessary to have it in the Regulations itself.

29. I think Sec 32 (1)(b) re investment of funds in approved securities is a good limitation and ought to exist in Mysore at least for some time to come till our societies get well grounded in commercial wisdom. The other things seem quite right and the statement of objects & reasons together with the draft may be sent to Branch III for early further action being taken.

S. Shanmuga 8.9.13

We may perhaps add "in any of the securities specified in a list to be issued by the Registrar from time to time with the approval of Govt"

Dy Secy

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

(co

G. R. S. 12]

General and Revenue Secretariat. | Legs File No. 47 of 1914

Serial No.

30

Flmes 3 28-13

An amending Bill should contain only the amendments proposed. But the sections to remain without any amendment are also shown in the draft. on half margin. the amending provisions alone should be indicated as is done in Br III in other cases.

D. M. Narasimham Rao
13/9.

Mr BVN

13.9.13

Subd

31 This is not merely an amending Regulation but a complete re-enactment. There is hardly a section in the draft Regn which does not contain some change or other. It is therefore not possible to indicate the amending provisions alone separately.

S. Shanmuga

Offg 12) SW
25/9/13

4/5.9.13

Legislation

Please see marginal remarks.

32) Action may be taken in Br III to have the Regn duly placed before the Legve Co. ne

C. S. Balasundaram Iyer.
CSB
2/3/14

The Countermanded Despatch Regn is not in the file.
Offg 2/3

P.T.O.

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

G. R. S. 12]

General and Revenue Secretariat.

Legis File No. 47 of 1914..

328-13

Serial No. 35

Spare Copies of the India Act are not available. Hence the Secretary's first alternative has been followed and a draft put up.

Attention is invited to para 24 above and orders are solicited as to whether the 11 corrections shown in black lead pencil in the draft may be inserted in the copy to be sent to the Registrar.

5/3/14

Yes

SPR

8/3

36) Issue

SPR 6/3

H. 4288 dated 19/3/14 to the Registrar of C.S. Forwards a Bill to amend the law relating to Co-operative Societies in Mysore with a copy of Mr. J. & R. for his opinion.

NOTE—Contn. sheet.

GPB—60,000—7-11-13

G. R. S. 12]

General and Revenue Secretariat.

Coops File No. 47 of 1911.

Serial No.	
1	Letter No. 2357 dated 19th April 1915 from the Registrar of C.S. furnishing his opinion regarding the proposed amendment of the Coperative Societies Regulation. 1) The previous papers on the subject are before the 1st member and this will be sent to the 1st member's Estt, after submn to the Secy Estt M.D.R. 28/4/15 1st M.V. 2) A comprehensive note may be put up, if necessary, after return of all the papers A.V. Ramanathan. 28/4. Secy (A) 3) Yr. Mr. [redacted] the papers from the 1st member's estt. work up early. CSZalasundaram 28/4/15 Dy. Registrar. 28/4/15 4) This may be placed before my successor. CSZalasundaram 14/7/15 Secy (A) 5) I agree with the Registrar Coperative Societies that it

NOTE—Contn. sheet.

GPB—25,000—22-3-15

G. R. S. 12]

General and Revenue Secretariat. | Legis. File No. 47 of 1914.

Serial No.

is unexpedient practically to throw overboard our existing Regulation and adopt the British Indian Regulation of 1912. The additions suggested by the Rly. are sufficient for the present to satisfy all present requirements for effective organization and development of co-operation within the State and the conduct of Societies. Some of the amendments suggested may require further consideration. As the whole question will have to be considered by a Select Committee there is no necessity to note on them in any detail at present. The draft Regn submitted by the Rly. may be further considered in Bn. & arrangement made to place it before the Legislative Council at an early date. I should be glad to have an opportunity of further recording my views when the draft has been finally revised in the Legislative Branch. Before recording these views I shall also discuss the

NOTE—Contn. sheet.

GPB—25,000—22-3-15

Serial No.

matter again with the Regr

P. G. D'Souza

21/8/16

1st Inmate

21/8

6) My views on various points arising in this Connection are given in the Notes of these files The matter may be worked in the Leg. Br. further.

H. V. Perumadeniya

27/3/16

7) I shall be glad to give whatever help may be necessary to push the matter through

P. G. D'Souza

25/3/16

8)

Subj.

S. V. S.

20/4/16

J/2811

5

5

G. R. S. 12]

General and Revenue Secretariat. | Legn. File No. 47 of 1911.

Serial No.

Society. [Vide General clauses Regulation III of 1899: S. 3 (28)]

S. 3 the Section as it stands does not seem to be happily worded. As the Registrar is in favour of specifying the objects districts instead of leaving it under a general clause and comprehensive clause as in the British Indian Act, the first portion may be drafted thus:- A Society shall consist of persons who have for their common object or objects some one or more of the following:- or 'A society which has for its object or objects some one or more of the following ... may be registered under this Regulation:

In either case another clause may be added to the following effect: "No Society, other than a Society of which a member is a registered Society, shall be registered under this Regulation which does not consist of at least ten persons above the age of eighteen years." The restriction placed by the Registrar that in the case of Federal Societies, there should be ten at least of the Societies can have a limit seems to be right.

Again, sub-clause XII may be brought before the residuary clause XI, and the residuary clause XI may be made more comprehensive, and the language of the British Indian Act

NOTE—Contn. sheet.

GPB—70,000—17-12-15

G. R. S. 12]

General and Revenue Secretariat. | Legis File No. 47 of 1911.

Serial No.

may be adopted. The Subclause will then read:- "any other object calculated to promote the economic interests of its members in accordance with cooperative principles."

YSC

5-6. "Any two or more persons having for their common object" may be retained instead of "any two or more individuals or Societies or both".

YSC

5. 8. The two Sub clauses can be combined into one.

YSC

5. 32 which corresponds to S 27 of the British Indian Act may be left as it is, and the amendments of the Registration Regulation will not be a better course as suggested by the Regr.

YSC

5-30. The Suggestion of the Registrar that Suits against by the liquidator should be by him himself Seems objectionable open to criticism. No specific grounds have been put forward for making a departure in the law prevailing in British India. Further, unless very strong arguments are put forward, it is not expedient to oust the jurisdiction of ordinary Courts

YSC

NOTE—Contn. sheet.

GPB—70,000—17-12-15

Journ 1311-15

7 7

G. R. S. 12]

General and Revenue Secretariat.

Legl File No. 47 ~~47 of 1911~~ 53 of 1915-16

Serial No.

11) Submitted for orders

G Srinivasa Iyer 9/8

1720. 7.8.16.

~~Second Member~~ of

12) Vide marginal remarks

minds — Letter of approval

13) The Bill may be revised accd

& ~~the~~ ~~letter~~ ~~sent~~ action taken

to obtain permission to place it

before the Leg Council

K S Chandrasekhara Iyer 9/8

Legl 24/8 pm 5-10 pm

14) Please put up a draft

minute

G Srinivasa Iyer 24/8

15)

Subd. The corrections ordered above are made in one of the copies of the draft Bill sent by the Registrar of Co-operative Societies

Flag D

S.V.S. 25/8/16

16) For favour of orders of Dewan

1333 4.9.16.

Seen

Dewan 2/9

17. Dewan 17) The action suggested by the Leg 2nd Member may be approved. The file may be circulated.

Dewan 3/9

18.9.16

Leg 19/9/16

Leg 19/9/16

Leg 19/9/

G. R. S. 12]

General and Revenue Secretariat.

Legis File No. ~~53 of 1915.~~ 47-14

Serial No.

18) I have taken some time to peruse this Bill carefully. It may be circulated to the members of Executive Council for their opinion.

27/12/16

19 Draft Final Note is submitted for favour of approval.

G. Srinivasa Iyer

1380 10.1.17

~~20~~ Draft Memo)

20 Fair final note signed by the Secretary to the Members is submitted.

10/1/17

21 As also put up.

Dewan

Dewan of Nellore 11/1

3997 11.1.17

Recd 9/1/17 GVP

NOTE—Contn. sheet.

GPB—70.000—17-12-15

(For disposal ~~at a meeting~~ by circulation.)

No. C. 691

21 . 9 . 1916.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause ii of the Schedule)

Introduction of a bill to amend the law relating to Co-operative Societies in Mysore.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

D. M. Narasinga Rao

20th Septr., 1916

Secretary to Government.

Extraordinary Member of Council.

271 15.10.16

First Member of Council. Seen -

15-3 21.9.16

Second Member of Council. 21/9/16 Seen

WD 2012—GPB—1 000—9-2-16

10 9

Final Note by the First Member of Council.

Subject:—

~~20~~ Introduction of a Bill to amend the law relating to Co-operative Societies in Mysore.

*J (linked file)

20. The Registrar of Co-operative Societies represented in 1912 the desirability of suitably amending the Co-operative Societies Regulation 1905, to bring it in conformity with the British Indian Act of 1912. A draft Bill was prepared and sent to the Registrar of Co-operative Societies for his opinion. The Registrar submitted in 1915 a new Bill based chiefly upon the existing Regulation with necessary additions and alterations to bring it into line with the British Indian Act.

*X (linked file)
*Page 6 Paper and Disposal

*Page 7 of office notes

Z

21. The Bill was scrutinised in the Legislative Branch under the orders of the late Second Member (K.S.Chandrasekhara Iyer) and the alterations found necessary have been duly made. The Bill as thus corrected has been approved by the Members of Council.

22. Gracious approval of His Highness is required for placing the Bill before the Legislative Council in due course.

10th June 1917

10
11

Submitted to His Highness.

K.

23. *I submit herewith a Final Note by the* First *Member of Council on the subject of* the introduction of a Bill to amend the law relating to Co-operative Societies in Mysore *for His Highness' gracious approval.*

M. Visvesvaraya
Dewan.
16th Jan 1917.

12 ?

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

Bill to amend the law relating to Co-operative Societies in Mysore.

716

24) ***Order.***

~~KRW~~

19/1/17

27. ~~[illegible]~~

20.1.17

28. ~~[illegible]~~

G. Srinivasa Iyer

Gris 1311-15

13 12

G. R. S. 12]

General and Revenue Secretariat. | Legis File No. 4) of 191 1/.

Serial No.

29.

28) Subd. with a draft to the Residency to be issued from the Dewan's Office. The typed Copy of the Bill and the Statement of Objects and reasons require to be attested.

S.V.S. 8/2/17 M.M. approval. 30) To Jaffnam of Dewans kind

Examined 9/2 Jyn

Secy Dewan

4636 12.2.17

Dewan 11/2

31) The draft approved by the Dewan has been issued and placed on file (vide Do. No. 4727 dated 18.2.17).

Gris 21/2

C.R. 19.2.17

D. M. Narasinga 19/2

2 To The Honble D. M. Webb Esqr

D. O. No. 4727 18th Feb.

Forwards a copy of a Bill to amend the law relating to Cooperative Societies in Jaffna

3 ~~Jaffna~~ D. O. 1933 dated 13/8/17

From the J. A. Resident

Intimates that the J. A. Resident has no prima facie objection to the Bill.

NOTE—Contn. sheet.

GPB—70,000—17-12-15

G. R. S. 12]

General and Revenue Secretariat.

Legis File No. 47 of 1911.

Serial No.	
4	D.O. dated 21st Dec: 1917 from the Registrar of Co-operative Societies in Mysore Suggests ~~contain~~ amendments to clause 13(3) of the Co-operative Societies Bill as amended by the Select Committee 29/ 31. Subd. with the Mysore Gazette of 20/12/17 containing the Bill as amended by the S.C If the suggestion now made is approved an amendment on behalf of Govt: will have to be moved at the next meeting of the Legis. Cl. when the Report of the S.C. on the Bill and the Bill will be considered. SVS. 29/12/17 38. Two points have been referred to 2-1-18 in Mr. Chandy's D.O. One is about the maximum amount of loan to the Committee Members, and the other is about S 13 (3) of the Bill as amended by the Select Committee. The first refers to a draft rule proposed to be framed under the Regulation and Mr. Chandy's opinion will be considered along with this when that may be brought forward before the rules finally approved. 34. 31/ As regards the 2nd point the clause as the Bill as originally published stood thus

NOTE—Contn. sheet.

GPB—60,000—7-11-13

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | Legislative File No. 47 of 191 /.

Serial No.

desirable to limit the amount of loans to Committee Members. At present owing to proper restrictions the Committee members obtain the bulk of the loans. The 20 per cent limit suggested by Mr. Chanty is fair as it would not place the Committee members under any serious disadvantage in obtaining a reasonable amount of accommodation while it would prevent unfair preference. A rule is therefore necessary.

38-85) As regards proxies, I agree with the Mudaliyar Br. III that in case the proxy is not a member of the society he should be appointed by the Registrar. If no member of a society is willing to take the trouble to exercise the franchise it does not deserve a vote.

P. G. D'Souza
5/1/16

Br III

5/1

Final Note by the Second Member of Council.

Subject:—

Promulgation of the Mysore Co-operative Societies Bill into Law.

42/ The Mysore Co-operative Societies Bill was considered in the Legislative Council and finally passed on the 28th June 1918 with the amendment regarding amalgamation. A copy of the Bill as finally passed is put up. Sanction of His Highness the Maharaja to promulgate the Bill into law may graciously be accorded.

P. Rajagopalachari
8.7.18
Member of Council.

8th July 1918.

Submitted to His Highness.

43) *I submit herewith a Final Note bu the* Second *Member of Council on the subject of* promulgation of the Mysore Co-operative Societies Bill into law

.....

for His Highness' gracious approval.

M. Visvesvaraya
Dewan.
11th July 1918.

SUBMITTED FOR THE ORDERS OF HIS HIGHNESS THE MAHARAJA.

.....

Subject:- Promulgation of the Mysore Co-operative Societies Bill into Law.

- - - -

44) Under Section 13 of the Mysore Legislative Council - Regulation, no Law or Regulation is valid until it receives the assent of His Highness the Maharaja. There is no provision in the Regulation for delegation of this authority. Hence the file is submitted for His Highness' gracious assent to the Bill.

K Narasadeyar

13. 7. 18.

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

Promulgation of the Mysore Co-operative Societies Bill into law.

45) *Order.*

~~KRW~~

4/8/18

Chief Secretary 31.8.18 RO

46) Draft abovesaid & submitted

G. R. S. III-2]

9/1453

23

General and Revenue Secretariat.

Legis File No. 47 of 1911.

Serial No.	
	47) Subd. with a draft order promulgating the M.C.S. Regulation VIII of 1918 2/9/18 (48) Secretary's Dept. B. Viswesvara Iyer 2/9
5	To, The Compiler Mysore Gazette No. 4658 D(2-9-18 Orders for the promulgation of the Mysore Cooperative Societies Regulation which received the assent of His Highness the Maharaja on the 4th day of August 1918 be published as Regulation No. VIII of 1918 in the Mysore Gazette for general information.
	Submitted with 2 drafts — one to the F. A. Resident and the other to the Secy to the Govt of the Nizam of Hyderabad.
	SR 13.2.19.
6 7	To the F.A.R and the Secy to the Govt of H.E.H. the Nizam Pol 817 & 17891 of 19-2-19 Forwards Copies of Regn. No VIII of 18 The Cooperative Societies Regn

12-30
Mlle 2-9-18

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

NOTIFICATION.

No. 280—L. C., dated 18th December 1917.

Under Rule 40 of the Rules for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Mysore Co-operative Societies Bill is published for general information with the Bill as amended by them.

By Order,
G. SREENIVASA IYER,
Secretary, Mysore Legislative Council.

Report of the Select Committee on the Mysore Co-operative Societies Bill.

(*Note:—References to clauses in the Report are to the clauses of the new Bill substituted by the Select Committee.*)

We, the members of the Select Committee appointed to consider the Mysore Co-operative Societies Bill, have the honor to report that we have gone through the Bill carefully and have made the following amendments therein.

We consider it better to base our Bill on the British Indian Co-operative Societies Act, 1912, and adopt its arrangement also with such modifications as are deemed necessary to suit local conditions than to base the Bill on the existing Regulation.

The Bill as originally published has thus been recast and the provisions have been rearranged.

Clause 3. We have followed the present Regulation with certain modifications in enumerating the objects in detail for which a society may be formed in a separate clause (clause 3) in preference to the wording used in the British Indian Act.

Clause 4. The provision in the British Indian Act that a credit society of which the majority of members are agriculturists shall be an unlimited liability society is not introduced in this Bill.

Clause 5. We consider that the restriction placed on the maximum value of shares that an individual can claim in a limited liability society should not apply to a member who is a registered society. We have accordingly adopted the British Indian rule.

Clause 6. We consider it unnecessary to introduce the provision that in a credit society the application shall be confined to those who reside in the same town or village or group of villages or belong to the same tribe, class, caste or occupation and so have followed the existing Regulation in the matter.

Clause 8. The procedure to be followed by a society when applying for registration has been laid down more clearly in the Bill as amended by us.

Clause 13 (3). The Bill as originally drafted provided for the appointment of a person who was not a member of a society as a proxy for the purpose of voting with the consent of the Registrar, but as a stranger cannot be expected to have the same amount of personal interest in the society as members, we are of opinion that no one should be appointed a proxy who is not a member of the society.

Clause 19. We consider that the wording of the clause in the British Indian Act may with advantage be substituted for that in clause 23 of the Bill and that there is a real need for providing for priority of charge over manufactured articles in the case of supply of raw materials and machinery for manufacture.

Clause 29 (2). We have not introduced the British Indian provision regarding the loans upon the security of moveable property. The provisions in the Bill which follow the existing Regulation are more elastic and give necessary powers to control such transactions and are accordingly retained.

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Clause 33 (3). It is not considered desirable to enforce in Mysore the principle that in an unlimited liability society, division of net profits shall not be made except under the general or special sanction of Government. There are hundreds of such societies already distributing profits and it is not deemed necessary to curtail the power that the societies now have.

Clause 34. We strongly object to any portion of the profits being utilised for purely religious purposes and we also consider that 25 *per cent.* of the net profits is too large a percentage for being devoted to charitable purposes; so we have fixed the percentage at 15. The definition in the Charitable Endowments Act is given as an explanation to the section.

The other amendments are of a verbal nature and do not call for any special remarks.

We recommend that the new Bill now substituted by us for the Bill as introduced into the Legislative Council be passed.

The new Bill may also be published in the official *Gazette.*

M. KANTARAJ URS.
M. SHAMA RAO.
C. S. BALASUNDARAM IYER.
C. S. DORASWAMI IYER.
M. CHENGIAH CHETTY.
C. NARASIMHAIYA.
S. SEETHARAMAIYA.

THE MYSORE CO-OPERATIVE SOCIETIES BILL.

A Bill to amend the Law relating to Co-operative Societies in Mysore.

(As substituted by the Select Committee.)

WHEREAS it is expedient to amend the law relating to Co-operative Societies in Mysore; His Highness the Maharaja is pleased to enact as follows:—

Preliminary.

Short title, extent and commencement.

1. (1) This Regulation may be called the Mysore Co-operative Societies Regulation,

(2) It extends to the whole of Mysore; and,

(3) It shall come into force on the date of the passing thereof.

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context,—

(*a*) "by-laws" means the registered by-laws for the time being in force and includes a registered amendment of the by-laws;

(*b*) "committee" means the governing body of a registered society to whom the management of its affairs is entrusted;

(*c*) "member" includes a person joining in the application for the registration of a society and a person admitted to membership after registration in accordance with the by-laws and any rules made under this Regulation;

(*d*) "officer" includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules or the by-laws to give directions in regard to the business of the society;

(*e*) "registered society" means a society registered or deemed to be registered under this Regulation;

(*f*) "registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Regulation; and

(*g*) "rules" means rules made under this Regulation.

Objects.

Objects of societies.

3. A society shall consist of persons who have for their common object or objects some one or more of the following, namely :—

(1) the furtherance of thrift and providence among the members;

(2) the attraction of capital and the grant of credit to the members;

(3) the supply to members of raw material, seed or manure;

(4) the sale on behalf of members of agricultural produce or of manufactured goods;

(5) the manufacture of goods or growth of produce by the members co-operatively;

(6) the purchase of food stuffs, clothing or other articles of consumption, or of animals, implements or other stock required in agriculture or industry and their retail sale to members;

(7) the purchase of machinery and its use in common by members;

(8) the building of houses or purchase of lands for members;

(9) the carrying out or development, by joint action of an improvement whether agricultural or industrial;

(10) the insurance of the person, families and property of the members including live-stock co-operatively;

(11) any other object calculated to promote the economic interests of the members of a society in accordance with co-operative principles; and

(12) the facilitating of the operations of a society.

Registration.

The Registrar.

4. The Government may appoint a person to be Registrar of Co-operative Societies for the whole or any portion of Mysore, and may appoint persons to assist such Registrar, and may by general or special order confer on any such persons all or any of the powers of a Registrar under this Regulation.

Liability of members.

5 Subject to the provisions hereinafter contained, a society which has as its object some one or more of those specified in section 3 may be registered under this Regulation with or without limited liability.

Provided that the liability of a society of which a member is a registered society shall be limited.

Restrictions on interest of member of a society with limited liability and a share capital.

6. Where the liability of the members of a society is limited by shares, no member other than a registered society shall,—

(*a*) hold more than such portion of the share capital of the society, subject to a maximum of one-fifth, as may be prescribed by the rules, or

(*b*) have or claim any interest in the shares of the society exceeding one thousand rupees without the express sanction of the Government.

Conditions of registration.

7. (1) No society, other than a society of which a member is a registered society, shall be registered under this Regulation, which does not consist of at least ten persons above the age of eighteen years.

(2) The word "limited" shall be the last word in the name of every society with limited liability registered under this Regulation.

Application for registration.

8. (1) For purpose of registration an application to register shall be made to the Registrar.

(2) The application shall be signed,—

(*a*) in the case of a society of which no member is a registered society by at least ten persons qualified in accordance with the requirements of section 7, sub-section (1); and

(*b*) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society and where all the members of a society are not registered societies, by ten other members or, when there are less than ten other members, by all of them.

(3) The application shall be accompanied by a copy of the proposed by-laws of the society and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

Registration.

9. If the Registrar is satisfied that a society has complied with the provisions of this Regulation and the rules, and that its proposed by-laws are not contrary to the Regulation or to the rules, he may, if he thinks fit, register the society and its by-laws.

Evidence of registration.

10. A certificate of registration signed by the Registrar shall be conclusive evidence that the society therein mentioned is duly registered unless it is proved that the registration of the society has been cancelled.

Amendment of the by-laws of a registered society.

11. (1) No amendment of the by-laws of a registered society shall be valid until the same has been registered under this Regulation, for which purpose a copy of the amendment shall be forwarded to the Registrar.

(2) If the Registrar is satisfied that any amendment of the by-laws is not contrary to this Regulation or to the rules, he may, if he thinks fit, register the amendment.

(3) When the Registrar registers an amendment of the by-laws of a registered society, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence that the same is duly registered.

Rights and Liabilities of Members.

Exercise of rights of members.

12. No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society as may be prescribed by the rules or the by-laws.

Votes of members.

13. (1) Where the liability of the members of a registered society is not limited by shares, each member shall, notwithstanding the amount of his interest in the capital, have one vote only as a member in the affairs of the society.

(2) Where the liability of the members of a registered society is limited by shares, each member shall have as many votes as may be prescribed by the by-laws.

(3) A registered society which has invested any part of its funds in the shares of any other registered society may appoint as its proxy, for the purpose of voting in the affairs of such other registered society, any one of its members.

Restrictions on the transfer of share or interest.

14. (1) The transfer or charge of the share or interest of a member in the capital of a registered society, shall be subject to such conditions as to maximum holding as may be prescribed by this Regulation or by the rules.

(2) A member shall not transfer any share held by him or his interest in the capital of the society or any part thereof, unless

(*a*) he has held such share or interest for not less than one year, and

(*b*) the transfer or charge is made to the society or to a member of the society.

Duties of Registered Societies.

Address of societies.

15. Every registered society shall have an address, registered in accordance with the rules to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof.

Copy of Regulation, rules and by-laws open to inspection.

16. Every registered society shall keep a copy of this Regulation, of the rules governing such society and of its by-laws open to inspection free of charge at all reasonable times at the registered address of the society.

Audit, inspection and inquiry.

17. (1) The Registrar shall audit or cause to be audited by some person authorised by him or by general or special order in writing in this behalf, the accounts of every registered society once at least in every year.

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the society.

(3) The Registrar, the Deputy Commissioner or any person authorised by general or special order in writing in this behalf by the Registrar may at any time inspect the books, accounts, papers and securities of a society, and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

Privileges of Registered Societies.

Societies to be bodies corporate.

18. The registration of a society shall render it a body corporate by the name under which it is registered with perpetual succession and a common seal, and with power to hold property to enter into contracts, to institute and defend suits and other legal proceedings and to do all things necessary for the purposes of its constitution.

Prior claim of society.

19. Subject to any prior claim of the Government in respect of land revenue or any money recoverable as land revenue or of a landlord in respect of rent or any money recoverable as rent, a registered society shall be entitled in priority to other creditors to enforce any outstanding demand due to the society from a member or past member—

(*a*) in respect of the supply of seed or manure or of the loan of money for the purchase of seed or manure—upon the crops or other agricultural produce of such member or person at any time within eighteen months from the date of such supply or loan;

(*b*) in respect of the supply of cattle, fodder for cattle, agricultural or industrial implements or machinery or raw materials for manufacture, or of the loan of money for the purchase of any of the foregoing things—upon any such things so supplied, or purchased in whole or in part from any such loan, or on any articles manufactured from raw materials so supplied or purchased.

Charge and set off in respect of shares or interest of member.

20. A registered society shall have a charge upon the share or interest in the capital and on the deposits of a member or past member and upon any dividend, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society, and may set-off any sum credited or payable to a member or past member in or towards payment of any such debt.

Shares or interest not liable to attachment.

21. Subject to the provisions of section 20 the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order of a Court of Justice in respect of any debt or liability incurred by such member, and a Receiver appointed under the Mysore Insolvency Regulation, 1911, shall not be entitled to or have any claim on such share or interest.

Transfer of interest on death of member.

22. (1) On the death of a member a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with the rules made in this behalf, or, if there is no person so nominated, to such person as may appear to the committee to be the heir or legal representative of the deceased member, or pay to such nominee, heir or legal representative as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws.

(2) A registered society may pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

(3) All transfers and payments made by a registered society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

Liability of past member.

23. The liability of a past member for the debt of a registered society as they existed at the time when he ceased to be a member shall continue for a period of two years from the date of his ceasing to be a member.

Liability of the estate of deceased member

24. The estate of a deceased member shall be liable for a period of one year from the time of his decease for the debts of a registered society as they existed at the time of his decease.

Register of members.

25. Any register or list of members or shares kept by any registered society shall be *prima facie* evidence of the following particulars entered therein:—

(*a*) the date at which the name of any person was entered in such register or list as a member

(*b*) the date at which any such person ceased to be a member.

Mode of proof of entries in societies' books.

26. A copy of any entry in a book of a registered society regularly kept in the course of business, shall, if certified in such manner as may be prescribed by the rules, be received in any suit or legal proceeding as *prima facie* evidence of the existence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent, as the original entry itself is admissible.

Exemption from compulsory registration of instruments relating to shares and debentures of registered society.

27. Nothing in section 17, clauses (*b*) and (*c*) of the Mysore Registration Regulation I of 1903, shall apply to:—

(1) any instrument relating to shares in a registered society, notwithstanding that the assets of such society consist in whole or in part of immoveable property; or

(2) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immoveable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immoveable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or

(3) any endorsement upon or transfer of any debenture issued by any such society.

Power to exempt from tax stamp duty and registration fees.

28. (1) The Government, by notification in the official Gazette, may, in the case of any registered society or class of registered societies, remit:—

(*a*) any tax payable to Government or to a local authority in respect of the profits of the society, or of the dividends or other payments received by the members of the society on account of profits;

(*b*) the stamp-duty with which, under any law for the time being in force, instruments executed by or on behalf of a registered society or by an officer or member and relating to the business of such society, or any class of such instruments, are respectively chargeable

(*c*) any fee payable under the law of registration for the time being in force.

Property and Funds of Registered Societies.

Registration of loans.

29. (1) A registered society shall not make a loan to any person other than a member provided that, with the consent of the Registrar, a registered society may make loans to another registered society.

(2) The Government may, by general or special order, prohibit or restrict the lending of money on the security of moveable or immoveable property or any kind thereof by any registered society or class of registered societies.

Restrictions on borrowing.

30. A registered society may receive deposits and loans from members without restriction, but it shall not receive deposit and loans from persons, who are not members except to such extent and under such conditions as may be provided by the rules or by-laws.

Restrictions on other transactions with non-members.

31. Save as provided in sections 29 and 30, the transactions of a registered society with persons other than members shall be subject to such prohibitions, and restrictions, if any, as the Government may, by rules prescribe.

Deposit of society's Funds.

32. A registered society may invest or deposit its funds:—

(*a*) in the Government Savings Bank, or

(*b*) in the Post Office Savings Bank, or

(*c*) in the shares or on the security of any other society, or

(*d*) with any Bank or person carrying on the business of banking approved for this puspose by the Registrar, or

(*e*) in any other mode permitted by the rules.

Funds not to be divided by way of profit.

33. No part of the funds of a registered society shall be divided by way of bonus or dividend or otherwise among its members:—

Provided that after at least one-fourth of the net profits in any year have been carried to a reserve fund, payments from the remainder of such profits and from any profits of past years available for distribution may be made among the members to such extent and under such conditions as may be prescribed by the rules or by-laws.

Contribution to charitable purposes.

34. Any registered society, may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding fifteen *per cent.* of the remaining net profits to any charitable purpose.

Explanation.—Charitable purpose in this section includes the relief of the poor, education, medical relief and the advancement of any other object of public utility but does not include a purpose which relates exclusively to religious teaching or worship.

Inspection of affairs.

Inquiry by the Registrar.

35. (1) The Registrar may of his own motion, and shall on the request of the Deputy Commissioner or on the application of a majority of the committee or of not less than one-third of the members, hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an enquiry into the constitution, working and financial condition of a registered society.

(2) All officers and members of the society shall furnish such information in regard to the affairs of the society as the Registrar or the person authorised by him may require.

Inspection of books of indebted society.

36. (i) The Registrar shall on the application of a creditor of a registered society inspect or direct some person authorised by him by order in writing in this behalf to inspect the books of the society.

Provided that,—

(a) the applicant satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time: and

(b) the applicant deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(ii) The Registrar shall communicate the results of any such inspection to the creditor.

Costs of inquiry

37. Where an enquiry is held under section 35 or an inspection is made under section 36, the Registrar may apportion the costs, or such part of the costs as he may think right between the society, the members or creditor demanding an enquiry or inspection and the officers or former officers of the society.

Recovery of costs.

38. Any sum awarded by way of costs under section 37 may be recovered on application to a Magistrate having jurisdiction in the place where the person from whom the money is claimable actually and voluntarily resides or carries on business by the distress and sale of any moveable property within the limits of the jurisdiction of such magistrate belonging to such person.

Dissolution of Society.

Dissolution.

39. (1) If the Registrar, after an enquiry has been held under section 35 or after an inspection has been made under section 36 or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may cancel the registration of the society.

(2) Any member of a society may, within two months from the date of any order made under sub-section (1) appeal from such order to the Government.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period

(4) Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the Government.

Cancellation of registration of society

40. Where it is a condition of the registration of a society that it should consist of at least ten members the Registrar may, by order in writing, cancel the registration of the society if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten.

Effect on cancellation of registration.

41. Where the registration of a society is cancelled the society shall cease to exist as a corporate body:—

(a) in the case of cancellation in accordance with the provisions of section 39 from the date the order of cancellation takes effect;

(b) in the case of cancellation in accordance with the provisions of section 40, from the date of the order.

Winding up.

42. (1) Where the registration of a society is cancelled under section 39 or section 40, the Registrar may appoint a competent person to be liquidator of the society.

(2) A liquidator appointed under sub-section (1) shall have power :—

(*a*) to institute and defend suits and other legal proceedings on behalf of the society by his name of office ;

(*b*) to determine the contribution to be made by the members and past members of the society respectively to the assets of the society ;

(*c*) to investigate all claims against the society and subject to the provisions of this Regulation, to decide questions of priority arising between claimants ;

(*d*) to determine by what persons and in what proportions the costs of the liquidation are to be borne ; and

(*e*) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society.

(3) Subject to the rules a liquidator appointed under this section shall in so far as such powers are necessary for carrying out the purposes of this section have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means and so far as may be in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure.

(4) Where an appeal from any order made by a liquidator under this section is provided for by the rules, it shall lie to the Court of the District Judge.

(5) Orders made under this section shall on application be enforced as follows :—

(*a*) when made by a liquidator, by any Civil Court having local jurisdiction in the same manner as the decree of such court ;

(*b*) when made by the Court of the District Judge in the matter of any such appeal as aforesaid, in the same manner as a decree of such Court made in any suit pending therein.

(6) Save in so far as in hereinbefore expressly provided, no Civil Court shall have any jurisdiction in respect of any matter connected with the dissolution of a society under this Regulation.

Rules.

Rules.

43. (1) The Government may for the whole or any part of Mysore and for any registered society or class of registered societies, make rules to carry out the purposes of this Regulation.

(2) In particular and without prejudice to the generality o the foregoing power, such rules may—

(*a*) subject to the provisions of section 6 prescribe the maximum number of shares or portion of the capital of a society which may be held by a member ;

(*b*) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society and the procedure in the matter of such applications ;

(*c*) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and abrogating by-laws, and the conditions to be satisfied prior to such making, alteration or abrogation ;

(*d*) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members and the payment to be made and the interests to be acquired before the exercise of the right of membership ;

(*e*) regulate the manner in which funds may be raised by means of shares or debentures or otherwise ;

(*f*) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;

(*g*) provide for the appointment, suspension and removal of the members of the committee and other officers and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers;

(*h*) prescribe the accounts and books to be kept by a society and provide for the audit of such accounts, and the charges, if any, to be made for such audit, and for the periodical publication of a balance-sheet showing the assets and liabilities of a society

(*i*) prescribe the returns to be submitted by a society to the Registrar and provide for the persons by whom and the form in which such returns shall be submitted

(*j*) provide for the persons by whom and the form in which copies of entries in books of societies may be certified;

(*k*) provide for the formation and maintenance of a register of members, and, where the liability of the members is limited by shares, of a register of shares;

(*l*) provide that any dispute touching the business of a society between members or past members of the society or persons claiming through a member or past member or between a member or past member or persons so claiming and the committee or any officer shall be referred to the Registrar for decision, or, if he so directs, to arbitration, and prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators, and the enforcement of the decisions of the Registrar or the awards of arbitrators;

(*m*) provide for the withdrawal and expulsion of members and for the payments, if any, to be made to members who withdraw or are expelled and for the liabilities of past members;

(*n*) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred;

(*o*) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the period for which loans may be made, and the amount which may be lent to an individual member;

(*p*) provide for the formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society

(*q*) prescribe the extent to which a society may limit the number of its members;

(*r*) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liabity, and the maximum rate of dividend which may be paid by a society

(*s*) subject to the provisions of section 39 determine in what cases an appeal shall lie from the orders of the Registrar, and prescribe the procedure to be followed in presenting and disposing of such appeals; and

(*t*) prescribe the procedure to be followed by a liquidator appointed under section 42 and the cases in which an appeal shall lie from the order of such liquidator.

(3) The power to make rules conferred by this section is subject to the condition of the rules being made after previous publication.

(4) All rules made under this section shall be published in the official Gazette, and on such publication have effect as if enacted in this Regulation.

Miscellaneous.

Recovery of sums due to Government.

44. (1) All sums due from a registered society or from an officer or member or past member of a registered society as such to the Government, including any cost awarded to the Government under section 37 may be recovered in the same manner as arrears of land revenue.

(2) Sums due from a registered society to Government and recoverable under sub-section (1) may be recovered firstly, from the property of the society, secondly in the case of a society of which the liability of the members is limited, from the members subject to the limit of their liability; and thirdly in the case of other societies, from the members.

Power to exempt societies from conditions as to registration.

45. Notwithstanding anything contained in this Regulation; the Government, may, by special order in each case and subject to such conditions, if any, as it may impose, exempt any society from any of the requirements of this Regulation as to registration.

Power to exempt registered societies from provisions of the Regulation.

46. The Government may, by general or special order, exempt any society from any of the provisions of this Regulation or may direct that such provisions shall apply to the society with such modifications as may be specified in the order.

Prohibition of the use of the word "co-operative."

47. (1) No person other than a registered society shall trade or carry on business under any name or title of which the word "co-operative" is part without the sanction of the Government.

Provided that nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he traded or carried on business at the date on which this Regulation comes into operation.

(2) Whoever contravenes the provisions of this section shall be punishable with fine which may extend to fifty rupees and in the case of a continuing offence with further fine of five rupees for each day on which the offence is continued after conviction therefor.

Mysore Companies Regulation, 1917, not to apply.

48. The provisions of the Mysore Companies Regulation, 1917, shall not apply to societies registered under this Regulation.

Saving of existing societies.

49. Every society now existing which has been registered under the Mysore Co-operative Societies Regulation, III of 1905, shall be deemed to be registered under this Regulation and its by-laws shall, so far as the same are not inconsistent with the express provisions of this Regulation continue in force until altered or rescinded.

Repeal of Regulation, III of 1905.

50. The Mysore Co-operative Societies Regulation, III of 1905, is hereby repealed.

The Mysore Co-operative Societies Bill

(As finally passed by the Legislative Council on the 28 June 1918)

THE MYSORE CO-OPERATIVE SOCIETIES BILL.

A Bill to amend the Law relating to Co-operative Societies in Mysore.

(As finally passed by the Legislative Council on the 28th June 1918.)

(As substituted by the Select Committee.)

WHEREAS it is expedient to amend the law relating to Co-operative Societies in Mysore; His Highness the Maharaja is pleased to enact as follows:—

Preliminary.

Short title, extent and commencement.

1. (1) This Regulation may be called the Mysore Co-operative Societies Regulation, 1918.

(2) It extends to the whole of Mysore; and

(3) It shall come into force on the date of the passing thereof.

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context,—

(*a*) "by-laws" means the registered by-laws for the time being in force and includes a registered amendment of the by-laws;

(*b*) "committee" means the governing body of a registered society to whom the management of its affairs is entrusted;

(*c*) "member" includes a person joining in the application for the registration of a society and a person admitted to membership after registration in accordance with the by-laws and any rules made under this Regulation;

(*d*) "officer" includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules or the by-laws to give directions in regard to the business of the society;

(*e*) "registered society" means a society registered or deemed to be registered under this Regulation;

(*f*) "registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Regulation; and

(*g*) "rules" means rules made under this Regulation.

Objects of societies.

3. A society shall consist of persons who have for their common object or objects some one or more of the following, namely :—

(1) the furtherance of thrift and providence among the members;

(2) the attraction of capital and the grant of credit to the members;

(3) the supply to members of raw material, seed or manure;

(4) the sale on behalf of members of agricultural produce or of manufactured goods;

(5) the manufacture of goods or growth of produce by the members co-operatively;

(6) the purchase of food stuffs, clothing or other articles of consumption, or of animals, implements or other stock required in agriculture or industry and their retail sale to members;

(7) the purchase of machinery and its use in common by members;

(8) the building of houses or purchase of lands for members;

(9) the carrying out or development, by joint action of an improvement whether agricultural or industrial

(10) the insurance of the person, families and property of the members including live-stock co-operatively;

(11) any other object calculated to promote the economic interests of the members of a society in accordance with co-operative principles; and

(12) the facilitating of the operations of a society.

Registration.

The Registrar.

4. The Government may appoint a person to be Registrar of Co-operative Societies for the whole or any portion of Mysore, and may appoint persons to assist such Registrar, and may by general or special order confer on any such persons all or any of the powers of a Registrar under this Regulation.

Liability of members.

5. Subject to the provisions hereinafter contained, a society which has as its object some one or more of those specified in section 3 may be registered under this Regulation with or without limited liability.

Provided that the liability of a society of which a member is a registered society shall be limited.

Restrictions on interest of member of a society with limited liability and a capital.

6. Where the liability of the members of a society is limited by shares, no member other than a registered society shall,—

(*a*) hold more than such portion of the share capital of the society, subject to a maximum of one-fifth, as may be prescribed by the rules, or

(*b*) have or claim any interest in the shares of the society exceeding one thousand rupees without the express sanction of the Government.

Conditions of registration.

7. (1) No society, other than a society of which a member is a registered society, shall be registered under this Regulation, which does not consist of at least ten persons above the age of eighteen years

(2) The word "limited" shall be the last word in the name of every society with limited liability registered under this Regulation.

Application for registration.

8. (1) For purpose of registration an application to register shall be made to the Registrar.

(2) The application shall be signed,—

(*a*) in the case of a society of which no member is a registered society by at least ten persons qualified in accordance with the requirements of section 7, sub-section (1); and

(*b*) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society and where all the members of a society are not registered societies, by ten other members or when there are less than ten other members, by all of them.

(3) The application shall be accompanied by a copy of the proposed by-laws of the society and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

Registration.

9. If the Registrar is satisfied that a society has complied with the provisions of this Regulation and the rules, and that its proposed by-laws are not contrary to the Regulation or to the rules, he may, if he thinks fit, register the society and its by-laws.

Evidence of registration.

10. A certificate of registration signed by the Registrar shall be conclusive evidence that the society therein mentioned is duly registered unless it is proved that the registration of the society has been cancelled.

Amendment of the by-laws of a registered society.

11. (1) No amendment of the by-laws of a registered society shall be valid until the same has been registered under this Regulation, for which purpose a copy of the amendment shall be forwarded to the Registrar.

(2) If the Registrar is satisfied that any amendment of the by-laws is not contrary to this Regulation or to the rules, he may, if he thinks fit, register the amendment.

(3) When the Registrar registers an amendment of the by-laws of a registered society, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence that the same is duly registered.

Rights and Liabilities of Members.

Exercise of rights of members.

12. No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society as may be prescribed by the rules or the by-laws.

Votes of members.

13. (1) Where the liability of the members of a registered society is not limited by shares, each member shall, notwithstanding the amount of his interest in the capital, have one vote only as a member in the affairs of the society.

(2) Where the liability of the members of a registered society is limited by shares, each member shall have as many votes as may be prescribed by the by-laws.

(3) A registered society which has invested any part of its funds in the shares of any other registered society may appoint as its proxy, for the purpose of voting in the affairs of such other registered society, any one of its members.

Restrictions on the transfer of share or interest.

14. (1) The transfer or charge of the share or interest of a member in the capital of a registered society, shall be subject to such conditions as to maximum holding as may be prescribed by this Regulation or by the rules.

(2) A member shall not transfer any share held by him or his interest in the capital of the society or any part thereof, unless

(*a*) he has held such share or interest for not less than one year, and

(*b*) the transfer or charge is made to the society or to a member of the society.

Duties of Registered Societies.

Address of societies.

15. Every registered society shall have an address, registered in accordance with the rules to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof.

Copy of Regulation, rules and by-laws open to inspection.

16. Every registered society shall keep a copy of this Regulation, of the rules governing such society and of its by-laws open to inspection free of charge at all reasonable times at the registered address of the society.

Audit, inspection and inquiry.

17. (1) The Registrar shall audit or cause to be audited by some person authorised by him or by general or special order in writing in this behalf, the accounts of every registered society once at least in every year.

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the society.

(3) The Registrar, the Deputy Commissioner or any person authorised by general or special order in writing in this behalf by the Registrar may at any time inspect the books, accounts, papers and securities of a society, and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

Privileges of Registered Societies.

Societies to be bodies corporate.

18. The registration of a society shall render it a body corporate by the name under which it is registered with perpetual succession and a common seal, and with power to hold property to enter into contracts, to institute and defend suits and other legal proceedings and to do all things necessary for the purposes of its constitution.

Prior claim of society.

19. Subject to any prior claim of the Government in respect of land revenue or any money recoverable as land revenue or of a landlord in respect of rent or any money recoverable as rent, a registered society shall be entitled in priority to other creditors to enforce any outstanding demand due to the society from a member or past member—

(*a*) in respect of the supply of seed or manure or of the loan of money for the purchase of seed or manure—upon the crops or other agricultural produce of such member or person at any time within eighteen months from the date of such supply or loan;

(*b*) in respect of the supply of cattle, fodder for cattle, agricultural or industrial implements or machinery or raw materials for manufacture, or of the loan of money for the purchase of any of the foregoing things—upon any such things so supplied, or purchased in whole or in part from any such loan, or on any articles manufactured from raw materials so supplied or purchased.

Charge and set off in respect of shares or interest of member.

20. A registered society shall have a charge upon the share or interest in the capital and on the deposits of a member or past member and upon any dividend, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society, and may set-off any sum credited or payable to a member or past member in or towards payment of any such debt.

Shares or interest not liable to attachment.

21. Subject to the provisions of section 20 the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order of a Court of Justice in respect of any debt or liability incurred by such member, and a Receiver appointed under the Mysore Insolvency Regulation, 1911, shall not be entitled to or have any claim on such share or interest.

22. (1) On the death of a member a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with the rules made in this behalf, or, if there is no person so nominated, to such person as may appear to the committee to be the heir or legal representative of the deceased member, or pay to such nominee, heir or legal representative as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws.

Transfer of interest on death of member.

(2) A registered society may pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

(3) All transfers and payments made by a registered society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

23. The liability of a past member for the debt of a registered society as they existed at the time when he ceased to be a member shall continue for a period of two years from the date of his ceasing to be a member.

Liability of past member.

24. The estate of a deceased member shall be liable for a period of one year from the time of his decease for the debts of a registered society as they existed at the time of his decease.

Liability of the estate of deceased member.

25. Any register or list of members or shares kept by any registered society shall be *prima facie* evidence of the following particulars entered therein:—

Register of members.

(*a*) the date at which the name of any person was entered in such register or list as a member

(*b*) the date at which any such person ceased to be a member.

26. A copy of any entry in a book of a registered society regularly kept in the course of business, shall, if certified in such manner as may be prescribed by the rules, be received in any suit or legal proceeding as *prima facie* evidence of the existence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

Mode of proof of entries in societies' books.

27. Nothing in section 17, clauses (*b*) and (*c*) of the Mysore Registration Regulation, I of 1903, shall apply to—

Exemption from compulsory registration of instruments relating to shares and debentures of registered society.

(1) any instrument relating to shares in a registered society, notwithstanding that the assets of such society consist in whole or in part of immoveable property, or

(2) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immoveable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immoveable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or

(3) any endorsement upon or transfer of any debenture issued by any such society.

28. (1) The Government, by notification in the official Gazette, may, in the case of any registered society or class of registered societies, remit:—

Power to exempt from ta stamp duty and registration fees.

(*a*) any tax payable to Government or to a local authority in respect of the profits of the society, or of the dividends or other payments received by the members of the society on account of profits;

(*b*) the stamp-duty with which, under any law for the time being in force, instruments executed by or on behalf of a registered society or by an officer or member and relating to the business of such society, or any class of such instruments, are respectively chargeable ;

(*c*) any fee payable under the law of registration for the time being in force.

Property and Funds of Registered Societies.

Registration of loans.

29. (1) A registered society shall not make a loan to any person other than a member provided that, with the consent of the Registrar, a registered society may make loans to another registered society.

(2) The Government may, by general or special order, prohibit or restrict the lending of money on the security of moveable or immoveable property or any kind thereof by any registered society or class of registered societies.

Restrictions on borrowing.

30. A registered society may receive deposits and loans from members without restriction, but it shall not receive deposit and loans from persons, who are not members except to such extent and under such conditions as may be provided by the rules or by-laws.

Restrictions on other transactions with non-members.

31. Save as provided in sections 29 and 30, the transactions of a registered society with persons other than members shall be subject to such prohibitions, and restrictions, if any, as the Government may, by rules prescribe.

Deposit of society's Funds.

32. A registered society may invest or deposit its funds:—

(*a*) in the Government Savings Bank, or

(*b*) in the Post Office Savings Bank, or

(*c*) in the shares or on the security of any other society, or

(*d*) with any Bank or person carrying on the business of banking approved for this puspose by the Registrar, or

(*e*) in any other mode permitted by the rules.

Funds not to be divided by way of profit.

33. No part of the funds of a registered society shall be divided by way of bonus or dividend or otherwise among its members :-

Provided that after at least one-fourth of the net profits in any year have been carried to a reserve fund, payments from the remainder of such profits and from any profits of past years available for distribution may be made among the members to such extent and under such conditions as may be prescribed by the rules or by-laws.

Contribution to charitable purposes.

34. Any registered society, may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding fifteen *per cent.* of the remaining net profits to any charitable purpose.

Explanation.—Charitable purpose in this section includes the relief of the poor, education, medical relief and the advancement of any other object of public utility but does not include a purpose which relates exclusively to religious teaching or worship.

Inspection of affairs.

Inquiry by the Registrar.

35. (1) The Registrar may of his own motion, and shall on the request of the Deputy Commissioner or on the application of a majority of the committee or of not less than one-third of the members, hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an enquiry into the constitution, working and financial condition of a registered society.

(2) All officers and members of the society shall furnish such information in regard to the affairs of the society as the Registrar or the person authorised by him may require.

Inspection of books of indebted societ

36. (i) The Registrar shall on the application of a creditor of a registered society inspect or direct some person authorised by him by order in writing in this behalf to inspect the books of the society.

Provided that,—

(a) the applicant satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and

(b) the applicant deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(ii) The Registrar shall communicate the results of any such inspection to the creditor.

Costs of inquiry.

37. Where an enquiry is held under section 35 or an inspection is made under section 36, the Registrar may apportion the costs, or such part of the costs as he may think right between the society, the members or creditor demanding an enquiry or inspection and the officers or former officers of the society.

Recovery of costs.

38. Any sum awarded by way of costs under section 37 may be recovered on application to a Magistrate having jurisdiction in the place where the person from whom the money is claimable actually and voluntarily resides or carries on business by the distress and sale of any moveable property within the limits of the jurisdiction of such magistrate belonging to such person.

Dissolution of Society.

Dissolution.

39. (1) If the Registrar, after an enquiry has been held under section 35 or after an inspection has been made under section 36 or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may cancel the registration of the society.

(2) Any member of a society may, within two months from the date of any order made under sub-section (1) appeal from such order to the Government.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period.

(4) Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the Government.

Cancellation of registration of society.

40. Where it is a condition of the registration of a society that it should consist of at least ten members the Registrar may, by order in writing, cancel the registration of the society if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten.

Effect on cancellation of registration.

41. Where the registration of a society is cancelled the society shall cease to exist as a corporate body:—

(a) in the case of cancellation in accordance with the provisions of section 39 from the date the order of cancellation takes effect;

(b) in the case of cancellation in accordance with the provisions of section 40, from the date of the order.

Winding up.

42. (1) Where the registration of a society is cancelled under section 39 or section 40, the Registrar may appoint a competent person to be liquidator of the society.

(2) A liquidator appointed under sub-section (1) shall have power :—

(*a*) to institute and defend suits and other legal proceedings on behalf of the society by his name of office;

(*b*) to determine the contribution to be made by the members and past members of the society respectively to the assets of the society;

(*c*) to investigate all claims against the society and subject to the provisions of this Regulation, to decide questions of priority arising between claimants;

(*d*) to determine by what persons and in what proportions the costs of the liquidation are to be borne; and

(*e*) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society.

(3) Subject to the rules a liquidator appointed under this section shall in so far as such powers are necessary for carrying out the purposes of this section have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means and so far as may be in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure.

(4) Where an appeal from any order made by a liquidator under this section is provided for by the rules, it shall lie to the Court of the District Judge.

(5) Orders made under this section shall on application be enforced as follows :—

(*a*) when made by a llquidator, by any Civil Court having local jurisdiction in the same manner as the decree of such court;

(*b*) when made by the Court of the District Judge in the matter of any such appeal as aforesaid, in the same manner as a decree of such Court made in any suit pending therein.

(6) Save in so far as in hereinbefore expressly provided, no Civil Court shall have any jurisdiction in respect of any matter connected with the dissolution of a society under this Regulation.

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Rules.

Rules. 43. (1) The Government may for the whole or any part of Mysore and for any registered society or class of registered societies, make rules to carry out the purposes of this Regulation.

(2) In particular and without prejudice to the generality o the foregoing power, such rules may—

(*a*) subject to the provisions of section 6 prescribe the maximum number of shares or portion of the capital of a society which may be held by a member;

(*b*) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society and the procedure in the matter of such applications;

(*c*) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and abrogating by-laws, and the conditions to be satisfied prior to such making, alteration or abrogation;

(*d*) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members and the payment to be made and the interests to be acquired before the exercise of the right of membership;

(*e*) regulate the manner in which funds may be raised by means of shares or debentures or otherwise;

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(*f*) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;

(*g*) provide for the appointment, suspension and removal of the members of the committee and other officers and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers;

(*h*) prescribe the accounts and books to be kept by a society and provide for the audit of such accounts, and the charges, if any, to be made for such audit, and for the periodical publication of a balance-sheet showing the assets and liabilities of a society;

(*i*) prescribe the returns to be submitted by a society to the Registrar and provide for the persons by whom and the form in which such returns shall be submitted;

(*j*) provide for the persons by whom and the form in which copies of entries in books of societies may be certified;

(*k*) provide for the formation and maintenance of a register of members, and, where the liability of the members is limited by shares, of a register of shares;

(*l*) provide that any dispute touching the business of a society between members or past members of the society or persons claiming through a member or past member or between a member or past member or persons so claiming and the committee or any officer shall be referred to the Registrar for decision, or, if he so directs, to arbitration, and prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators, and the enforcement of the decisions of the Registrar or the awards of arbitrators;

(*m*) provide for the withdrawal and expulsion of members and for the payments, if any, to be made to members who withdraw or are expelled and for the liabilities of past members;

(*n*) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred;

(*o*) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the period for which loans may be made, and the amount which may be lent to an individual member;

(*p*) provide for the formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society;

(*q*) prescribe the extent to which a society may limit the number of its members;

(*r*) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liabity, and the maximum rate of dividend which may be paid by a society.

(*s*) subject to the provisions of section 39, determine in what cases an appeal shall lie from the orders of the Registrar, and prescribe the procedure to be followed in presenting and disposing of such appeals; and

(*t*) prescribe the procedure to be followed by a liquidator appointed under section 42 and the cases in which an appeal shall lie from the order of such liquidator.

(3) The power to make rules conferred by this section is subject to the condition of the rules being made after previous publication.

(4) All rules made under this section shall be published in the official Gazette, and on such publication have effect as if enacted in this Regulation.

(*u*) "Prescribe the procedure to be observed and conditions to be fulfilled in passing and registering a resolution for amalgamation or transfer of engagements under section ~~42-A~~ 43.

MISCELLANEOUS.

Recovery of sums due to Government.

45 ~~44~~. (1) All sums due from a registered society or from an officer or member or past member of a registered society as such to the Government, including any cost awarded to the Government under section 37 may be recovered in the same manner as arrears of land revenue.

(2) Sums due from a registered society to Government and recoverable under sub-section (1) may be recovered firstly, from the property of the society, secondly in the case of a society of which the liability of the members is limited, from the members subject to the limit of their liability; and thirdly in the case of other societies, from the members.

Power to exempt societies from conditions as to registration.

46 ~~45~~. Notwithstanding anything contained in this Regulation, the Government, may, by special order in each case and subject to such conditions, if any, as it may impose, exempt any society from any of the requirements of this Regulation as to registration.

Power to exempt registered societies from provisions of the Regulation.

47. ~~46~~. The Government may, by general or special order, exempt any society from any of the provisions of this Regulation or may direct that such provisions shall apply to the society with such modifications as may be specified in the order.

Prohibition of the use of the word "co-operative."

48 ~~47~~. (1) No person other than a registered society shall trade or carry on business under any name or title of which the word "co-operative" is part without the sanction of the Government.

Provided that nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he traded or carried on business at the date on which this Regulation comes into operation.

(2) Whoever contravenes the provisions of this section shall be punishable with fine which may extend to fifty rupees and in the case of a continuing offence with further fine of five rupees for each day on which the offence is continued after conviction therefor.

Mysore Companies Regulation, 1917, not to apply.

49. ~~48~~. The provisions of the Mysore Companies Regulation, 1917, shall not apply to societies registered under this Regulation.

Saving of existing societies.

50 ~~49~~. Every society now existing which has been registered under the Mysore Co-operative Societies Regulation, III of 1905, shall be deemed to be registered under this Regulation and its by-laws shall, so far as the same are not inconsistent with the express provisions of this Regulation continue in force until altered or rescinded.

Repeal of Regulation, III of 1905.

51. ~~50~~. The Mysore Co-operative Societies Regulation, III of 1905, is hereby repealed.

Telegraphic Address :
"Co-operator," Bangalore.

45

No. 2351 C. S.

ENCLS. 5

DIARY No. 2618
19-19
SECTION
FILE No.
FINAL No.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Dated Bangalore, 19th April *191*

FROM

~~M. A. NARAYAN AYANGAR, ESQ., B. A., B. L.,~~
Registrar of Co-operative Societies in Mysore,
BANGALORE.

TO

~~C. S. Balasundaram Iyer, Esq., B.A.,~~
Secretary to the Government of
His Highness the Maharaja of Mysore,
Departments of Education & Agriculture,
BANGALORE.

SIR,

X (initialed)

In reply to your letter No.Fl.4288 dated 19th March 1914 forwarding for my opinion a draft bill to amend the law relating to Co-operative Societies in Mysore, I have the honor to observe that the draft bill is not so much an amendment of the existing Law relating to Co-operation as an almost verbatim copy of the new British Indian Act II of 1912. I do not see any reason why the Mysore Co-operative Societies Regulation No.III of 1905 should be so summarily displaced. It has been drawn up with great care and actually contained the bulk of the improvements which are embodied in the new British Indian Act. I would therefore suggest that the language and wording of our Regulation should be kept intact, improvements and additional provisions being introduced

in

1914 – 1915

From

M. A. NARAYAN AYYANGAR, ESQ., B. A; B. L.,
Registrar of Co-operative Societies
in Mysore.

To

C. S. Balasundaram Iyer Esq B.A.

Secretary to the Government of
H. H. the Maharaja of Mysore,
Depts. of Education & Agriculture,
BANGALORE.

Dated Bangalore.....19.1.3.1.....191.5.

Despatched 20

Received

General No. 2351 C. S.....

Enclosure No. 5

Reference:- no H. 4288 a 19/3/15-4

Submits proposals relating
to the amendment of the
Mysore Co-operative Societies
Regulation III of 1905.

in the light of the British Indian Act. The Department of Co-operation and the Co-operative Societies in the State have got used to the present Regulation and it would be a pity to replace it wholesale unless there are strong reasons for doing so.

Y (Under file) 2. In my letter No.1320 of the 12th February 1913 I have already referred to the improvements required in our Regulation to bring it into line with the law of British India, while retaining our advanced position in other directions. I have very carefully considered the matter again comparing Section by Section the provisions of Act II of 1912 with our Regulation and drawn up a Memo of Remarks, copy enclosed, containing my suggestions.

not in our file 9/11/09

3. I have also prepared in the light of the Memo of Remarks the draft of a Regulation (copy enclosed) which, I think, would suit us best. It will be noticed that the Draft Regulation contains six new Sections, Viz., 10.A, 23.A, 25.A, 29, 30 and 31, besides verbal and other amendments in the other Sections. All the improvements of the British Indian Act have been worked up into these, excepting seven other provisions, which it may be sufficient to publish as Rules under Section 27 (1) of the Regulation, because of their minor importance, but yet having the force of law under Section 27 (4). I enclose a copy of these Rules also for consideration.

not in our file 9/11/09

4. If the principles of my 'Memo of Remarks' and the language of my amended Regulation and additional Rules are accepted by the Government and such modifications as may be deemed desirable are noted down, it will be easy to draft the amending Regulation, with a statement of its objects and reasons.

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into a consolidated Regulation of 41 Sections with a statement of objects and reasons (draft enclosed) which is perhaps most suitable for adoption in Mysore.

I have the honor to be,

Sir,

Your most obedient servant,

M.A. Muthanna

R E G I S T R A R.

M.N.N.

The existing Co-operative Societies Regulation

III of 1905.

with verbal changes and additions made

by

the Registrar of Co-operative Societies.

The amendments here are only tentative and not final.

M. A. Narayanaswamy

19.4.1915
Bangalore

Registrar, Co-operative Societies in Mysore.

Regulation No. III of 1905.

THE MYSORE CO-OPERATIVE SOCIETIES REGULATION, 1905.

(PASSED ON THE 28TH DAY OF JUNE 1905.)

A Regulation to provide for the Constitution and Control of Co-operative Societies in Mysore.

WHEREAS it is expedient to provide for the constitution and control of Co-operative Societies in Mysore; His Highness the Maharaja is pleased to enact as follows:—

Preliminary.

1. (1) This Regulation may be called the Mysore Co-operative Societies Regulation, ~~1905.~~ 1915 **Short title, extent and commencement.**

(2) It extends to the whole of Mysore; and

(3) It shall come into force on the date of the passing thereof.

2. In this Regulation, unless there is anything repugnant in the subject or context,— **Definitions**

(a) "by-law" means [a] ~~registered~~ rule ~~for~~ the time being in force made by a society in the exercise of any power conferred by this Regulation ~~or by any rule made under this Regulation~~: or rules and includes a registered amendment of its by-laws.

(b) "committee" means the governing body of a society to whom the management of its affairs is entrusted:

(c) "member" includes ~~a person~~ (1) an individual or society joining in the application for the registration of a society and ~~a person~~ an individual or society admitted to membership after registration in accordance with the by-laws and any rules made under this Regulation:

(d) "officer" includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules ~~applying to any society~~ or the by-laws ~~thereof~~ to give directions in regard to the business of the society:

(e) "Registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Regulation: and

(f) "Society" means a Co-operative Society registered under this Regulation.

(g) 'rules' means rules made under this Regulation.

Constitution.

Constitution and objects of societies.

3. A society shall consist of ten or more ~~persons~~ individuals above the age of eighteen years, or Societies or both who have for their common object or objects some one or more of the following, namely :—

I the furtherance of thrift and providence among the members ;

II the attraction of capital and the grant of credit to the members ;

III the supply to members of raw material, seed or manure ;

IV the sale on behalf of members of agricultural produce or of manufactured goods ;

V the manufacture of goods or growth of produce by the members co-operatively ;

VI the purchase of food stuffs, clothing or other articles of consumption, or of animals, implements, or other stock required in agriculture or industry, and their retail sale to members ;

VII the purchase of machinery and its use in common by members ;

VIII the building of houses or purchase of lands for members ;

IX the carrying out or development, by joint action, of an improvement whether agricultural or industrial ;

X the insurance of the persons, families and property of the members including livestock cooperatively ;

XI any other object, calculated to promote the economic benefit of the members, which may be approved by Government by special order in each case.

and XII the facilitating the operations of ~~a~~ a Society.

This is misplaced

Members of society.

4. The members of a society shall be—

(*a*) persons joining in the application mentioned in Section 6, sub-section (1), and registered as a society under sub-section (2) of the same section ;

(*b*) persons admitted by the society in accordance with the provisions of this Regulation and with the by-laws of the society :

Provided that a person so admitted shall not exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society as may be prescribed by the rules ~~made under this Regulation~~ or ~~the~~ by-laws ~~of the society~~.

Note. Person here needs no change as it occurs in 6(2) referring to the individuals or Societies or both of 6(1), and in consonance with its definition under the general clauses Regulation.

Registration.

The Registrar.

5. The Government may appoint a person to be Registrar of Co-operative Societies for the whole or any portion of Mysore, and may appoint persons to assist such Registrar, and may, by general or special order, confer on any such persons all or any of the powers of a Registrar under this Regulation

Registration and incorporation of societies.

6. (1) Any ten or more ~~persons~~ individuals or societies or both having for their common object or objects some one or more of those specified in Section 3, and agreeing each to make such payment or acquire such interest as aforesaid, may apply to the Registrar to be registered as a society, and ~~the persons by whom or on whose behalf such application is made~~ they shall furnish such information in regard to the proposed society as the Registrar may require.

(2) If the Registrar is satisfied that the persons proposing to form a society have complied with the provisions of this Regulation and with the rules ~~made thereunder~~, he may, if he thinks fit, register the society accordingly, and the society shall thereupon become and be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold property, movable or immovable, to enter into contracts, to institute and defend civil suits and to do all things necessary for the purposes of its constitution.

(3) Every society shall have an address, registered in accordance with the rules ~~made under this Regulation~~, to which all notices and communications may be sent. and shall send to the Registrar notice of every change of address.

(4) If the liability of the members of a society is limited the word "limited" shall be added to its registered name.

(5) No charge shall be made for registration under this section.

Management.

Liability of members.

7. The liability of each member of a society for the debts of the society shall be unlimited or limited as may be provided by the by-laws or ~~by any~~ rules. ~~made under this Regulation~~.

Disposal of profits.

8. Not less than one-fourth of the profits in each year of every society, unless otherwise directed by Government by special order in any particular case, shall be carried to a fund (to be called the reserve fund) before any dividend or payment on account of profits is paid to the members or any of them.

Restrictions on borrowing.

9. A society may receive deposits from members without restriction, but it may borrow from persons who are not members only to such extent and under such conditions as may be provided by ~~its~~ the by-laws or ~~by~~ rules. ~~made under this regulation~~.

Restrictions on loans.

10. (1) A society shall make no loan to any person other than a member:

Provided that, with the consent of the Registrar a society may make loans to any other society.

(2) The Government may, by general or special order, prohibit or restrict the lending of money on the security of movable or immovable property or any kind thereof by any society or class of societies.

10-(A). Save as provided in sections 9 and 10 the transactions of a Society with persons other than members shall be subject to such prohibitions and restrictions, if any, as the Government by rules prescribes.

Deposit of society's funds.

~~11. A society may deposit its funds in the Government Savings Bank or with any banker or person acting as a banker approved for this purpose by the Registrar~~

11. ~~11~~. A Society may invest or deposit its funds :-

(a) ~~in~~ in the Government Savings Bank, or

(b) ~~in~~ in the Post Office Savings Bank, or

(c) ~~in~~ in shares or on the security of any other Society, or

(d) with any Bank or person carrying on the business of banking approved for this purpose by the Registrar, or

(e) ~~in~~ any other mode permitted by the rules.

Shares and Interests of Members.

Limit on capital held by member.

12. Where the liability of the members of a society is limited by shares, a member shall not hold more than such portion of the capital of the society, subject to a maximum of one-fifth, as may be prescribed by ~~any~~ the rules ~~made under this Regulation~~ :

Provided that no member of such a society shall without express sanction of the Government hold more shares than represent a nominal value of one thousand rupees.

Votes of members.

13. (1) Where the liability of the members of a society is not limited by shares, each member shall, notwithstanding the amount of his interest in the capital, only have one vote as a member in the affairs of the society.

(2) Where the liability of the members of a society is limited by shares, each member shall have as many votes as may be prescribed by the by-laws of the society.

Restrictions on transfer of share or interest.

14. (1) A member shall not transfer any share held by him or his interest in the capital of the society or any part thereof, unless he has held such share or interest for one year at least.

(2) The share or interest of a member in the capital of a society shall not be transferred or charged, unless to the society or to a member of the society and subject to any conditions as to maximum holding prescribed by this Regulation or by the by-laws or ~~by any~~ rules ~~made under this Regulation~~.

Share or interest not liable to attachment.

15. Subject to the provisions of section 20, the share or interest of a member in the capital of a society shall not be liable to attachment or sale under any decree or order of a Court of Justice in respect of any debt or liability incurred by such member, and neither the Official Assignee nor a Receiver appointed under Chapter XX of the Code of Civil Procedure shall be entitled to or have any claim on such share or interest.

Transfer of interest on death of member.

16. On the death of a member, the society may pay to or transfer to the credit of the person nominated in accordance with the rules made in this behalf, or if there is no person so nominated, such person as may appear to the Committee to be entitled to receive the same as heir or legal representative of the deceased member a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws and all moneys due to him from the society, and the society shall thereupon be absolved from all liability in respect of such share or interest or other moneys as aforesaid.

Liability of past member.

17. The liability of a past member for the debts of the society as they existed at the time when he ceased to be a member shall continue for a period of ~~one year~~ two years from the date of his ceasing to be a member.

Liability of the estate of deceased member.

18. The estate of a deceased member shall be liable for a period of one year from the time of his decease for the debts of the society as they existed at the time of his decease.

Priority of Society's Claim against a Member.

Prior claim of society as against crops, agricultural produce, cattle, implements and raw material.

19. Subject to any prior claim of the Government in respect of land revenue or any money recoverable as land revenue or of a landlord in respect of rent or any money recoverable as rent, a society shall be entitled in priority to other creditors to enforce its claim—

(*a*) upon the crops or other agricultural produce of a member or past member at any time within ~~a year~~ eighteen months from the date when seed or manure was advanced or money for the purchase of seed or manure was lent to such member or past member in respect of the unpaid portion of such advance or loan.

(*b*) upon any cattle, agricultural or industrial implements or raw material for manufactures, supplied by the society or purchased in whole or in part with money lent by the society, in respect of the outstanding liability on account of such supply or loan.

Charge and set off in respect of shares or interest of member.

20. A society shall have a charge upon the shares or interest in the capital and on the deposits of a member or past member and upon any dividend, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society, and may set-off any sum credited or payable to a member or past member in or towards payment of any such debt.

Audit, Inspection and Inquiry.

Audit, inspection and inquiry.

21. (1) The Registrar shall audit or cause to be audited by some person authorised by him by general or special order in writing in this behalf the accounts of each society once at least in every year.

~~(2) No charge shall be made in respect of any audit made under sub-section (1).~~

(2) ~~(3)~~ The audit under sub-section (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the society.

(3) ~~(4)~~ The Registrar, the Deputy Commissioner or any person authorised in this behalf by the Registrar or the Deputy Commissioner may at any time inspect the books, accounts, papers and securities of a society, and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection shall require.

by general or special order in writing

(4) ~~(5)~~ The Registrar may of his own motion, and shall on the request of the Deputy Commissioner or on the application of a majority of the Committee or of not less than one-third of the

members, hold an inquiry or direct some person authorized by him by order in writing in this behalf to hold an enquiry into the constitution, working and financial condition of a society, and all officers and members of the society shall furnish such information in regard to the affairs of the society as the Registrar or the person authorized by him may require.

(5) (i) The Registrar shall on the application of a creditor of a Society, inspect or direct some person authorized by him by order in writing in this behalf to inspect the books of the Society Provided that (a) the applicant satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and (b) the applicant deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(ii) The Registrar shall communicate the results of any such inspection to the creditor.

(6) Where an inquiry is held under sub-section (3), (4), or (5) an inspection is made under sub-section (5), the Registrar may apportion the costs, or such part of the costs as he may think right between the society, the members or creditor demanding an inquiry and the officers or former officers of the society.

(7) Any sum awarded by way of costs under sub-section (6) may be recovered on application to a Magistrate having jurisdiction in the place where the person from whom the money is claimable actually and voluntarily resides or carries on business ~~for the time being~~, by the distress and sale of any movable property within the limits of the jurisdiction of such Magistrate belonging to such person.

Mode of proof of entries in societies' books.

22. A copy of any entry in a book of a society regularly kept in the course of business, shall, if certified in such manner as may be prescribed by the rules ~~made under this Regulation~~, be received in any suit or legal proceedings ~~to recover a debt due to the society~~, as *prima facie* evidence of the existence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is ~~now by law~~ admissible, ~~but not further or otherwise~~.

Dissolution of Society.

Dissolution

23. (1) If the Registrar, after ~~holding~~ an inquiry has been held under section 21, sub-section (3), (4), or after an inspection has been made under section 21, sub section (5)

~~or on~~ receipt of an application made by three-fourths of the members of a society, is of opinion that a society ought to be dissolved, he may cancel ~~or may refuse to cancel~~ the registration of the society.

(2) Any member of a society may, within two months from the date of any order made under sub-section (1), appeal from such order to the Government.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period. Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the Government.

(4) Where an order made under sub-section (1) cancelling the registration of a society takes effect, the society shall cease to exist as a corporate body.

(4) Where the registration of a society is cancelled under subsection (1), the society shall cease to exist as a corporate body, from the date the order of cancellation takes effect.

23. A (1). Whenever it is proved to the Registrar's satisfaction that the number of the members of a society has been reduced to less than ten, the Registrar may, by order in writing, cancel its registration.

(2) Where the registration of a society is cancelled under sub section (1) the society ~~shall~~ cease

to exist as a corporate body,
from the date of the order.

Cancellation of registration of society.

24. (1) Where the registration of a society is cancelled under section 23 or section 23A, the Registrar may appoint a competent person to be liquidator of the society.

(2) A liquidator appointed under sub-section (1) shall have power—

(a) to institute and defend suits and other legal proceedings on behalf of the society by his name of office, ~~and shall also have power—~~

(*a*) to sue for and recover any sums of money due to the society at the date of such cancellation;

(*b*) to determine the contribution to be made by the members and past members of the society respectively to the assets of the society;

(*c*) to investigate all claims against the society, and, subject to the provisions of this Regulation, to decide questions of priority arising between claimants;

(*d*) to determine by what persons and in what proportions the costs of the liquidation are to be borne; and

(*e*) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society.

(3) Subject to ~~any~~ rules ~~of procedure made under this Regulation~~, a liquidator appointed under this section shall, in so far as such powers are necessary for carrying out the purposes of this section, have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means (and so far as may) be in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure.

(4) The rules may provide for an appeal to the Court of the District Judge from any order made by a liquidator under this section.

(5) Orders made under this section shall on application ~~may~~ be enforced as follows:—

(*a*) when made by a liquidator, by any Civil Court having local jurisdiction in the same manner as the decree of such Court;

(*b*) when made by the Court of the District Judge in the matter of any such appeal as aforesaid, in the same manner as a decree of such Court made in any suit pending therein.

(6) Save in so far as is hereinbefore expressly provided, no Civil Court shall have any jurisdiction in respect to any matter connected with the dissolution of a society under this Regulation.

Exemptions from Taxation.

Power to exempt from taxation, stamp duty and registration fees.

25. (1) The Government, by notification in the official Gazette, may, in the case of any society or class of society, remit—

(*a*) any tax payable to Government or to a Municipal or Local Board in respect of the profits of the society, or of the dividends or other payments received by the members of the society on account of profits, or otherwise ;

(*b*) the stamp-duty with which, under any law for the time being in force, instruments executed by or on behalf of a society or by an officer or member and relating to the business of such society, or any class of such instruments, are respectively chargeable ;

(*c*) any fee payable under the law of registration for the time being in force.

(2) A notification exempting any society from the fees referred to in sub-section (1), clause (*c*), may provide for the withdrawal of such exemption.

Exemption from compulsory registration of instruments - relating to shares and debentures of a society.

25. A. Nothing in Section 17, Clauses (b) & (c) of the Mysore Registration Regulation I of 1903 shall apply to.-- .

(1) Any instrument relating to shares in a ~~registered~~ society, notwithstanding that the assets of ~~such~~ the society consist in whole or in part of immovable property; or

(2) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immovable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immoveable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or

(3) any endorsement upon or transfer of any debenture issued by any ~~such~~ society.

Debts due to Government.

Recovery of sums due to Government.

26. (1) All sums due from a society or from an officer or member or past member of a society as such to the Government, including any costs awarded to the Government, under section 21, sub-section (6), may be recovered in the same manner as arrears of land revenue.

(2) Sums due from a society to Government and recoverable under sub-section (1) may be recovered, firstly, from the property of the society, secondly, in the case of a society of which the liability of the members is limited, from the members subject to the limit of their liability; and thirdly, in the case of other societies, from the members.

Rules.

Rules.

27. (1) The Government may, for the whole or any part of Mysore and for any society or class of societies, make rules to carry out the purposes of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may:—

(*a*) prescribe the forms to be used in applying for the registration of a society and the procedure in the matter of such applications;

(*b*) prescribe the conditions to be complied with by persons applying for registration and by persons applying for admission or admitted as members, and provide for the election and admission of members ~~from time to time~~, and the amount of payment to be made and the interests to be acquired before the exercising of the rights of membership;

(*c*) provide for the withdrawal and expulsion of members and for the payments if any to be made to members who withdraw or are expelled and for the liabilities of past members;

(*d*) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred;

(*e*) subject to the provisions of section 12, prescribe the maximum number of shares or portion of the capital of a society which may be held by a member;

(*f*) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the period for which loans may be made, and the amount which may be lent to an individual member;

(*g*) regulate the manner in which ~~capital~~ funds may be raised by means of shares or debentures or otherwise;

(*h*) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;

(*i*) provide for the appointment, suspension and removal of the members of the committee and other officers, and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers;

(*j*) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and abrogating by-laws, and the ~~sanction to be required~~ conditions to be satisfied prior to such making, alteration or abrogation;

(*k*) prescribe the accounts and books to be kept by a society and provide for the audit of such accounts, and the charges, if any to be made for such audit, and for the periodical publication of a balance-sheet showing the assets and liabilities of a society;

(*l*) provide for the persons by whom and the form in which copies of entries in books of societies may be certified ;

(*m*) provide for the formation and maintenance of a register of members and, where the liability of the members is limited by shares, of a register of shares;

(*n*) provide for the rate at which interest may be paid on deposits, for the formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society ;

(*o*) provide that any dispute touching the business of a society between members or past members of the society or persons claiming through a member or past member or between a member or past member or persons so claiming and the committee or any officer shall be referred to the Registrar for decision, or, if he so directs, to arbitration, and prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators, and the enforcement of the decisions of the Registrar or the awards of arbitrators ;

(*p*) prescribe the conditions to be complied with by a society applying for the financial assistance of Government ; and

(*q*) Subject to the provisions of Section 23 determine in what cases an appeal shall lie from the orders of the Registrar, and prescribe the procedure to be followed in presenting and disposing of such appeals.

(r) Prescribe the procedure to be followed by a liquidator appointed under Section 24, and the cases in which an appeal shall lie from the order of such liquidator.

(s) Prescribe the returns to be submitted by a society to the Registrar and provide for the persons by whom and the form in which such returns shall be submitted.

(t) Prescribe the extent to which a society may limit the number of its members.

(u) Prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability, and the maximum rate of dividend which may be paid by a society, specifically or generally.

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(3) The power to make rules conferred by this section is subject to the condition of the rules being made after previous publication.

(4) All rules made under this section shall be published in the official Gazette, and on such publication shall have effect as if enacted in this Regulation.

~~(5) A copy of the rules relating to a society and of the by-laws thereof for the time being in force shall be kept open to inspection at all reasonable times free of charge at the registered address of the society~~.

Miscellaneous.

Mysore Companies Regulation, 1895, not to apply

28. The provisions of the Mysore Companies Regulation, 1895, shall not apply to societies registered under this Regulation.

Power to exempt societies from conditions as to registration.

29. Notwithstanding anything contained in this Regulation, the ~~Local~~ Government may, by special order in each case and subject to such conditions, if any, as it may impose, exempt any society from any of the requirements of this Regulation as to registration.

Power to exempt registered societies from provisions of the Regulation.

30. The ~~Local~~ Government may, by general or special order, exempt any ~~registered~~ society from any of the provisions of this Regulation or may direct that such provisions shall apply to ~~such~~ society with such modifications as may be specified in the order.

Prohibition of the use of the word "Co-operative".

31. (1) No person other than a registered society shall trade or carry on business under any name or title of which the word "Co-operative" is part without the sanction of the ~~Local~~ Government.

(2) Whoever contravenes the provisions of this section shall be punishable with fine which may extend to fifty rupees and in the case of a continuing offence with further fine of five rupees for each day on which the offence is continued after conviction therefor.

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G. R. S. 26]

Legis File No. 47-11
Serial No. 2

Diary No. of letter replied to .....

Do No. 4727/Ser-2-B1/6-17

General and Revenue Secretariat
( )
, *the* 191

To Sir,

My dear ~~Mr. Cobb~~

I enclose herewith copy of a Bill to amend the law relating to Co-operative Societies in Mysore. The Statement of Objects and reasons explains clearly the scope of the measure.

The Bill will be placed before the Legislative Council in due course.

Date of issue 18.2.17

Signed by Dewan

Yours sincerely

18.2.17 Dewan over.

SUBJECT.

Dewan

To The Hon'ble H. V. Cobb Esqr
M.A., I.C.S., C.S.I., C.I.E.

Priority of Society's claim against a Member.

23. Prior claim of society as against crops, agricultural produce, cattle, implements and raw material.

24. Charge and set-off in respect of shares or interest of member.

Audit, Inspection and Inquiry.

25. Audit, inspection and inquiry.

26. Mode of proof of entries in society's books.

27. Register of members.

Dissolution of a Society.

28. Dissolution.

29. Cancellation of registration of society.

30. Winding-up.

Exemptions from Taxation.

31 Power to exempt from taxation, stamp-duty and registration fees.

32. Exemption from compulsory registration of instruments relating to shares and debentures of a society.

Debts due to Government.

33. Recovery of sums due to Government.

R u l e s.

34. Rules.

Miscellaneous.

35. Power to exempt societies from conditions as to registration.

36. Power to exempt registered societies from provisions of the Regulation.

Sections. Miscellaneous contd.

37. Prohibition of the use of the word "Co-operative"

38. Contribution to charitable purpose.

39. Mysore Company's Regulation, 1895, not to apply.

40. Saving of existing societies.

41. Repeal of Regulation III of 1905.

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VTV

THE MYSORE CO-OPERATIVE SOCIETIES BILL.

-----:o:o:o:o:o:-----

A Bill to amend the law relating to Co-operative Societies in Mysore.

WHEREAS it is expedient to amend the law relating to Co-operative Societies in Mysore; His Highness the Maharaja is pleased to enact as follows:--

PRELIMINARY.

Short title, extent and commencement.

1. (1) This Regulation may be called the Mysore Co-operative Societies Regulation, ...

(2) It extends to the whole of Mysore;

& (3) It shall come into force on the date of the passing thereof.

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context,--

(a) "by-laws" means the registered bye-laws for the time being in force and includes a registered amendment of the bye-laws.

(b) "committee" means the governing body of a society to whom the management of its affairs is entrusted;

(c) "member" includes a person joining in the application for the registration of a society and a person admitted to membership after registration in accordance with the by-laws and any rules made under this Regulation.

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(d) "officer" includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules ~~applying to any society~~ or the by-laws ~~thereof~~ to give directions in regard to the business of the society :

(c) "Registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Regulation : ~~and~~

(f) "Society" means a Co-operative Society registered under this Regulation, and

(g) "Rules" means rules made under this Regulation.

Constitution.

Constitution and objects of societies.

3. A society shall consist of ~~ten or more~~ persons who have for their common object or objects some one or more of the following, namely :—

I the furtherance of thrift and providence among the members ;

II the attraction of capital and the grant of credit to the members ;

III the supply to members of raw material, seed or manure ;

IV the sale on behalf of members of agricultural produce or of manufactured goods ;

V the manufacture of goods or growth of produce by the members co-operatively ;

VI the purchase of food stuffs, clothing or other articles of consumption, or of animals, implements, or other stock required in agriculture or industry, and their retail sale to members ;

VII the purchase of machinery and its use in common by members ;

VIII the building of houses or purchase of lands for members ;

IX the carrying out or development, by joint action, of an improvement whether agricultural or industrial ;

X. the insurance of the person, families and property of the members including live-stock co-operatively:

XI. the facilitating of the operations of a Society; and

XII. any other object calculated to promote the economic interests of its members in accordance with co-operative ~~privileges.~~ principles

No Society, other than a Society of which a member is a registered society, shall be registered under this Regulation, which does not consist of atleast ten persons above the age of eighteen years.

Members of society.

4. The members of a society shall be—

(a) persons joining in the application mentioned in Section 6, sub-section (1), and registered as a society under sub-section (2) of the same section;

(b) persons admitted by the society in accordance with the provisions of this Regulation and with the by-laws of the society:

Provided that a person so admitted shall not exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society as may be prescribed by the rules ~~made under this~~ Regulation or the by-laws ~~of the society~~.

Registration.

The Registrar.

5. The Government may appoint a person to be Registrar of Co-operative Societies for the whole or any portion of Mysore.

and may appoint persons to assist such Registrar, and may, by general or special order confer on any such persons all or any of the powers of a Registrar under this Regulation.

Registration and incorporation of societies.

6. (1) Any ten or more persons having for their common object or objects some one or more of those specified in Section 3, and agreeing each to make such payment or acquire such interest as aforesaid, may apply to the Registrar to be registered as a society, and the ~~persons by whom or on whose behalf such application is made~~ shall furnish such information in regard to the proposed society as the Registrar may require.

(2) If the Registrar is satisfied that the persons proposing to form a society have complied with the provisions of this Regulation and ~~with~~ the rules ~~made thereunder~~, he may, if he thinks fit, register the society accordingly, and the society shall thereupon become and be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold property, movable or immovable, to enter into contracts, to institute and defend civil suits and to do all things necessary for the purposes of its constitution.

(3) Every society shall have an address, registered in accordance with the rules ~~made under this Regulation~~, to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof.

(4) Every Society shall keep a copy of this Regulation, of the Rules and of its by-laws open to inspection free of charge at all reasonable times at the registered address of the Society.

(5) If the liability of the members of a Society is limited the word "limited" shall be added to its registered name.

(6) No charge shall be made for registration under this section.

Evidence of Registration.

7. A certificate of registration signed by the Registrar shall be conclusive evidence that the society therein mentioned is duly registered unless it is proved that the registration of the society has been cancelled.

Amendment of the bye-laws of a Society

8. (1) No amendment of the by-laws of a Society shall be valid until the same has been registered under this Regulation, for which purpose a copy of the amendment shall be forwarded to the Registrar.

(2) If the Registrar is satisfied that any amendment of the bye-laws is not contrary to this Regulation or to the rules, he may, if he thinks fit, register the amendments.

(3) When the Registrar registeres an amendment of the bye-laws of a Society, he shall issue to the Society a copy of the amendment certified by him, which shall be conclusive evidence that the same is duly registered.

MANAGEMENT.

Liability of Members.

9. (1) The liability of each member of a society for the debts of the society shall be unlimited or limited as may be provided by the by-laws or rules.

(2) The liability of a society of which a member is a society shall be limited.

Disposal of profits.

10. Not less than one-fourth of the profits in each year of every society, unless otherwise directed by Government by special order in any particular case, shall be carried to a fund (to be called the reserve fund) before any dividend or payment on account of profits is paid to the members or any of them.

Restrictions on borrowing.

11. A society may receive deposits from members without restriction, but it may borrow from persons who are not members only to such extent and under such conditions as may be provided by the by-laws or ~~by rules made under this regulation~~. rules

Restrictions on loans.

12. (1) A society shall make no loan to any person other than a member:

Provided that, with the consent of the Registrar a society may make loans to any other society.

(2) The Government may, by general or special order, prohibit or restrict the lending of money on the security of movable or immovable property or any kind thereof by any society or class of societies.

Restrictions on other transactions with non-members.

13. Save as provided in sections 11 and 12 the transactions of a society with persons other than members shall be subject to such prohibitions, and restrictions, if any, as the Government by rules prescribe.

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Deposit of Society's funds.

14. A Society may invest or deposit its funds:--

(a) in the Government Savings Bank or,

(b) in the Post Office Savings Bank, or

(c) in the Shares or on the security of any other society, or

(d) with any Bank or person carrying on the business of banking approved for this purpose by the Registrar, or

(e) in any other mode permitted by the rules.

Shares and Interests of Members.

Limit on capital held by member.

15. Where the liability of the members of a society is limited by shares, a member shall not hold more than such portion of the capital of the society, subject to a maximum of one-fifth, as may be prescribed by ~~any~~ the rules ~~made under this Regulation~~:

Provided that no member of such a society shall without express sanction of the Government hold more shares than represent a nominal value of one thousand rupees.

Votes of members.

16. (1) Where the liability of the members of a society is not limited by shares, each member shall, notwithstanding the amount of his interest in the capital, only have one vote as a member in the affairs of the society.

(2) Where the liability of the members of a society is limited by shares, each member shall have as many votes as may be prescribed by the by-laws of the society.

Proxies for Members which are societies

17. A Society whether joining in an application for a Society under section 6 (1) or voting as a Member under section 16, shall do so through a duly authorised ~~individual~~ on its behalf, who shall be approved by the Registrar, if he is not one of its members.

Restrictions on transfer of share or interest.

18. (1). A member shall not transfer any share held by him or his interest in the capital of the society or any part thereof, unless he has held such share or interest for one year at least.

(2) The share or interest of a member in the capital of a society shall not be transferred or charged, unless to the society or to a member of the society and subject to any conditions as to maximum holding prescribed by this Regulation or by the by-laws or by any rules made under this Regulation.

Share or interest not liable to attachment.

19. Subject to the provisions of section 24, the share or interest of a member in the capital of a society shall not be liable to attachment or sale under any decree or order of a Court of Justice in respect of any debt or liability incurred by such member, and neither the Official Assignee nor a Receiver appointed under Chapter XX of the Code of Civil Procedure shall be entitled to or have any claim on such share or interest.

the Mysore Insolvency Regn, 1911,

Transfer of interest on death of member.

20. On the death of a member, the society may pay to or transfer to the credit of the person nominated in accordance with the rules made in this behalf, or if there is no person so nominated, such person as may appear to the Committee to be entitled to receive the same as heir or legal representative of the deceased member a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws and all moneys due to him from the society, and the society shall thereupon be absolved from all liability in respect of such share or interest or other moneys as aforesaid.

Liability of past member.

21. The liability of a past member for the debts of the society as they existed at the time when he ceased to be a member shall continue for a period of [redacted] year from the date of his ceasing to be a member.

Liability of the estate of deceased member.

22. The estate of a deceased member shall be liable for a period of one year from the time of his decease for the debts of the society as they existed at the time of his decease.

Priority of Society's Claim against a Member.

Prior claim of society as against crops, agricultural produce, cattle, implements and raw material.

23. Subject to any prior claim of the Government in respect of land revenue or any money recoverable as land revenue or of a landlord in respect of rent or any money recoverable as rent, a society shall be entitled in priority to other creditors to enforce its claim—

(*a*) upon the crops or other agricultural produce of a member or past member at any time within [redacted] months from the date when seed or manure was advanced or money for the purchase of seed or manure was lent to such member or past member in respect of the unpaid portion of such advance or loan.

[redacted] (*b*) upon any cattle, agricultural or industrial implements or raw material for manufactures, supplied by the society or purchased in whole or in part with money lent by the society, in respect of the outstanding liability on account of such supply or loan.

Charge and set off in respect of shares or interest of member.

24. A society shall have a charge upon the shares or interest in the capital and on the deposits of a member or past member and upon any dividend, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society, and may set-off any sum credited or payable to a member or past member in or towards payment of any such debt.

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Audit, inspection and inquiry.

AUDIT, INSPECTION & INQUIRY.

25. (1) The Registrar shall audit or cause to be audited by some person authorised by him by general or special order in writing in this behalf, the accounts of each society once at least in every year.

~~(2)~~

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the society.

by general or special order in writing

(3) The Registrar, the Deputy Commissioner or any person authorised in this behalf by the Registrar or the Deputy Commissioner may at any time inspect the books, accounts, papers and securities of a society, and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection shall require.

(4) The Registrar may of his own motion, and shall on the request of the Deputy Commissioner or on the application of a majority of the Committee or of not less than one-third of the members, hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an enquiry into the constitution, working and financial condition of a society, and all officers and members of the society shall furnish such information in regard to the affairs of the society as the Registrar or the person authorised by him may require.

(5) (i) The Registrar shall on the application of a creditor of a society inspect or direct some person authorised by him by order in writing in this behalf, to inspect the books of the society Provided that

(a) the applicant satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and (b) the applicant deposits with the Registrar such sum as security for the cost of the proposed inspection as the Registrar may require.

(ii) The Registrar shall communicate the results of any such inspection to the creditor.

(6) Where an inquiry is held under sub section (4) or an inspection is made under sub section (5) the Registrar may apportion the costs, or such part of the costs as he may think right between the society, the members or creditor demaring an inquiry and the officers or fo officers of the society.

(7) Any sum awarded by way of costs under sub-section (6) may be recovered on application to a Magistrate having jurisdiction in the place where the person from whom the money is claimable actually and voluntarily resides or carries on business by the distress and sale of any movable property within the limits of the jurisdiction of such Magistrate belonging to such person.

Mode of proof of entries in societies' books.

26. A copy of any entry in a book of a society regularly kept in the course of business, shall, if certified in such manner as may be prescribed by the rules, be received in any suit or legal proceedings as prima facie evidence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

Register of Members.

27. Any register or list of members or shares kept by any society shall be prima facie evidence of any of the following particulars entered therein:

(a) the date at which the name of any person was entered in such register or list as a member;

(b) the date at which any such person ceased to be a member.

Dissolution.

DISSOLUTION OF SOCIETY.

28. (1) If the Registrar, after an enquiry has been held under Section 25 Sub Section 4 or after an inspection has been made under section 25, sub-section 5 or on receipt of an application made by three-fourths of the members of a society, is of opinion that a society ought to be dissolved, he may cancel the registration of the society.

(2) Any member of a society may, within two months from the date of any order made under sub-section (1), appeal from such order to the Government.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period. Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the Government.

(4) Where the registration of a society is cancelled under Sub-Section (1) the Society shall cease to exist as a corporate body, from the date the order of cancellation takes effect.

Cancellation of registration of a Society.

29. (1) Whenever it is proved to the Registrar's satisfaction that the number of the members of a society has been reduced to less than ten, the Registrar may, by order in writing, cancel its registration.

(2) Where the registration of a Society is cancelled under Sub-Section 1 of the society shall cease to exist as a corporate body, from the date of the order.

Winding-up.

30. (1) Where the registration of a society is cancelled under section 28 or section 29 the Registrar may appoint a competent person to be liquidator of the society.

(2) A liquidator appointed under sub-section (1) shall have power:-

(a) to institute and defend suits and other legal proceedings on behalf of the society by his name of office.

(b)

Exemption from compulsory registration of instruments relating to shares and debentures of a society.

32. Nothing in Section 17, Clauses (6) and (c) of the Mysore Registration Regulation I of 1903 shall apply to.--

(1) Any instrument relating to shares in a society, notwithstanding that the assets of the society consist in whole or in part of immovable property; or

(2) any debenture issued by any society and not creating, declaring, assigning, limiting or extinguishing any right title or interest to or in immovable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged conveyed, or otherwise transferred the whole or part of its immovable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or

(3) any endorsement upon or transfer of any debenture issued by any society

Debts due to Government.

Recovery of Sums due to Government.

33. (1) All sums due from a society or from an officer or member or past member of a society as such to the Government, including any costs awarded to the Government, under section 24, sub-section (6), may be recovered in the same manner as arrears of land revenue.

(2) Sums due from a society to Government and recoverable under sub-section (1) may be recovered, firstly, from the property of the society, secondly, in the case of a society of which the liability of the members is limited, from the members subject to the limit of their liability; and thirdly, in the case of other societies, from the members.

Rules.

Rules.

27. (1) The Government may, for the whole or any part of Mysore and for any society or class of societies, make rules to carry out the purposes of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may :—

(*a*) prescribe the forms to be used in applying for the registration of a society and the procedure in the matter of such applications ;

(*b*) prescribe the conditions to be complied with by persons applying for registration and by persons applying for admission or admitted as members, and provide for the election and admission of members ~~from time to time~~, and the amount of payment to be made and interests to be acquired before exercising rights of membership ;

(*c*) provide for the withdrawal and expulsion of members and for the payments to be made to members who withdraw or are expelled and for the liabilities of past members;

(*d*) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred ;

(*e*) subject to the provisions of section ~~12~~ 15, prescribe the maximum number of shares or portion of the capital of a society which may be held by a member ;

(*f*) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the period for which loans may be made, and the amount which may be lent to an individual member ;

(*g*) regulate the manner in which ~~capital~~ funds may be raised by means of shares or debentures or otherwise ;

(*h*) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings :

(*i*) provide for the appointment, suspension and removal of the members of the committee and other officers, and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers ;

(*j*) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and abrogating by-laws, and the conditions to be satisfied prior ~~sanction to be required~~ to such making, alteration or abrogation ;

(*k*) prescribe the accounts and books to be kept by a society, and provide for the audit of such accounts, and the charges, if any, to be made for such audit, and for the periodical publication of a balance-sheet showing the assets and liabilities of a society ;.

(*l*) provide for the persons by whom and the form in which copies of entries in books of societies may be certified ;

(*m*) provide for the formation and maintenance of a register of members and, where the liability of the members is limited by shares, of a register of shares ;

(*n*) provide for the rate at which interest may be paid on deposits, for the formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society ;

(*o*) provide that any dispute touching the business of a society between members or past members of the society or persons claiming through a member or past member or between a member or past member or persons so claiming and the committee or any officer shall be referred to the Registrar for decision, or, if he so directs, to arbitration, and prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators, and the enforcement of the decisions of the Registrar or the awards of arbitrators ;

(*p*) prescribe the conditions to be complied with by a society applying for the financial assistance of Government ; and

(q) subject to the provisions of section 28, determine in what cases an appeal shall lie from the orders of the Registrar, and prescribe the procedure to be followed in presenting and disposing of such appeals;

(r) prescribe the procedure to be followed by a liquidator appointed under Section 28, and the cases in which an appeal shall lie from the order of such liquidator.

(s) prescribe the returns to be submitted by a society to the Registrar and provide for the persons by whom and the form in which such returns shall be submitted.

(t) prescribe the extent to which a society may limit the number of its members.

(u) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability, and the maximum rate of dividend which may be paid by a society, specifically or generally.

(3) The power to make rules conferred by this section is subject to the condition of the rules being made after previous publication.

and in the case of a continuing offence with further fine of five rupees for each day on which the offence is continued after conviction therefor.

Contribution to charitable purpose.

38. Any society may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding twenty-five per cent, of the remaining net profits to any Co-operative, charitable or religious purpose including the relief of the poor, education, medical relief and the advancement of any other object of utility to the public in general or the class or classes of people forming the members of the society..

Mysore Companies Regulation 1895, not to apply.

39. The provision of the Mysore Companies Regulation, 1895, shall not apply to societies registered under this Regulation.

Saving of existing societies.

40. Every Society now existing which has been registered under the Mysore Co-operative Societies Regulation, III of 1905, shall be deemed to be registered under this Regulation, and its by-laws shall, so far as the same are not inconsistent with the express provisions of this Regulation continue in force until altered or rescinded.

Repeal of Regulation III of 1905.

41. The Mysore Co-operative Societies Regulation, III of 1905, is hereby repealed.

* * * * * *

GS 2/9/16

VTV

Statement of objects and reasons.

The Mysore Co-operative Regulation, III of 1905, was based on the Co-operative Credit Societies Act, X of 1904, with certain important modifications. The most important of these modifications consisted in authorizing the registration not only of Co-operative Credit Societies but also of Co-operative Societies for production and distribution, and in not introducing the distinction which obtained in the British Indian Act of 1904 between Rural and Urban Societies. Since then a new Act, ~~known as~~ the Indian Co-operative Societies Act, II of 1912, has been introduced into British India in which the above modifications have been embodied.

Though the necessity for an amendment in these directions does not exist in Mysore, still the experience of the past ~~ten~~ twelve years during which the Mysore Regulation has been in force has brought to light the existence of some defects in its provisions, and there are several directions in which the Regulation requires improvement in order to meet present requirements and ensure a sound progress of the movement in future.

The following are the principal changes contemplated in the present Bill:

(1) The Co-operative Societies Regulation, III of 1905, ~~of 1905~~ does not ex-

plicitly provide for the registration of Co-operative Societies of which other Co-operative Societies are members. In actual practice such societies have been registered. But as Unions and Central Banks play an important part in the organisation and development of Co-operation ~~their~~ this omission has been supplied.

(2) In Section 3 of the Regulation, III of 1905, are enumerated in detail the various objects for which co-operative Societies can be formed. It is now proposed to add under the section a provision for Societies for Co-operative Insurance.

(3) Provision is made for appointing Assistant Registrars and investing persons other than the Registrar with the powers of a Registrar of Co-operative Societies under the Regulation.

(4) Power is given to the Registrar to conduct an audit or enquiry by deputy.

(5) The provision in Section 21 (2) of the Regn. 1905 that "no charge shall be made for an audit" is omitted in order that it may not be inconsistent with section ~~21~~ 25 (2)(K)

(6) ~~It has been enacted that~~ The liability of a society having societies as members shall be limited.

(7) Creditors of Co-operative Societies have been given the power under

proper restrictions or asking the Registrar for an inspection of the books and affairs of the indebted societies.

(8) The present period of one year for which the liability of a past member continues being found too short, it is proposed to raise it to 2 years.

(9) The lien on agricultural products for one year being too short in some cases, it is proposed to extend it to eighteen months.

(10) Provision is made for the exemption from compulsory registration of instruments relating to shares and debentures of a society as in the case of Joint-Stock Banks.

(11) The use of the word 'Co-operative' as part of the business-title of any concern other than that of a registered society is prohibited.

(12) Power is given to societies to sanction out of their profits contributions to charities.

GEN. & REV. SECRETARIAT
III
JUDICIAL
15 MAR 1917

D.O. No. 1933. 14.3.17

THE MYSORE RESIDENCY,
Bangalore, 13th March 1917.

From the Private Secretary to the Resident

To the Hon'ble Sir M. Visvesvaraya

I am desired to acknowledge the receipt of Your D.O. letter No. 4727, dated the 18th February 1917, forwarding a copy of a Bill to amend the law relating to Co-operative Societies in Mysore, and, in reply, to say that the Resident sees no prima facie objection to the Bill being laid before the Legislative Council.

Yours sincerely
Y. Sr. Lucas

Sir M. Visvesvaraya, K.C.I.E.,
Dewan of Mysore.

D. O. No.

Dis 47-11-4

Office of the Registrar of Co-operative Societies in Mysore.

Bangalore, 21-12-1917

From the Regr of Co-operative Societies

To

Dear Sir

Re the Amendments to the Co-operative Regulation, I wish to make the following remarks

(1) Re loan to Committee members, the maximum in Bombay is 10 p.c & I think that 20 p.c is a safe minimum than 25 p.c.

(2) Clause 13(3) of the Act is difficult for Societies that are scattered all over the State to

depute any one of its members to vote at the meetings of the Central Bands, & the result of this rule will be that Societies will have little or no voice in the management of the Bands - It is necessary to give the alternative, of any other registered Society. This will prevent strangers who take no interest in Cooperative Societies from voting, & enable Societies at a distance selecting men who take an interest in Cooperative & the members of

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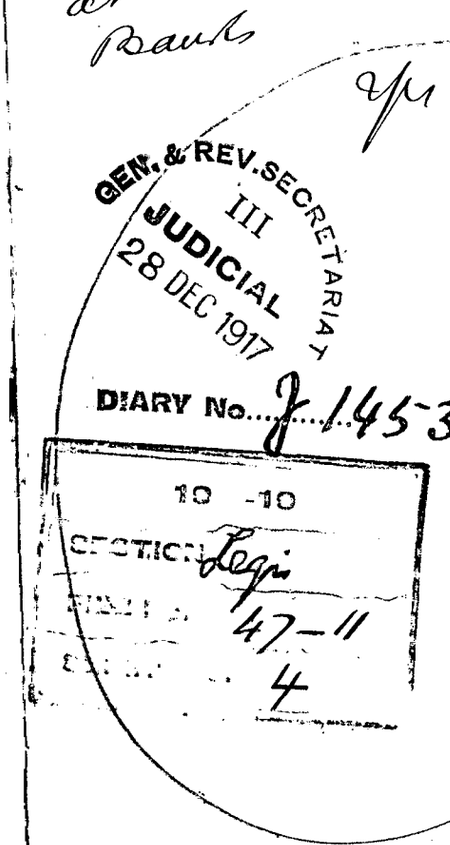
Societies situated near the Banks voting for them at the meetings of the Banks

Yrs Sincl
R Chandy



G. R. S. VI.—s-III/14]

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DRAFT.

SUBJECT..... Promulgation of the Mysore Co-operative Societies Bill into Law .....

Section. Legs
File No.
Serial No. 47-11
5

Diary No. of letter replied to.....

Proceedings of the Government of H. H. the Maharaja of Mysore.

Order No. To the Comptroller Mysore for G 4658/Rule 18

GENERAL AND REVENUE SECRETARIAT,

( )

, *the*.....*191*

Ordered that the accompanying..... Mysore Co-operative Societies Regulation [Bill]

which received the assent of His Highness the Maharaja, on the 4th ~~August 1918~~

Date of issue..... 2-9-18

day of August 1918

Signed by..... Asst G. S. Iyer

be published as Regulation No. VII of 1918, in the *Mysore Gazette* for general information.

Published in Mysore Gazette Part III 12th Sept. 1918

May this be

(i) Printed?

(ii) Treated as a standing order?

(iii) Published in the "Gazette" English part?

(iv) Translated?

(v) Placed at the disposal of the Press?

(vi) Published in the "Gazette" Kannada part?

18/9 *Secretary to Government*

To

The Compiler, *Mysore Gazette*, for publication in Part III of the Gazette, in English and Kannada and for supply of 900 in this week's issue spare copies in English and 900 spare copies in Kannada to this office, and 300 in book size spare copies in English and 300 in book size spare copies in Kannada to the Curator Government Central Book Depot, Bangalore. Proofs should be sent to this office for approval before publication. G.P.O. on the 3rd inst. Attention is invited to G. O. No. G. 2200 & 29/7/18 as to how the matter should be set in type for the Gazette

REGULATION No. VII OF 1918.

A Regulation to amend the Law relating to Co-operative Societies in Mysore.

(Received the Assent of His Highness the Maharaja, on the 4th day of August 1918.)

THE MYSORE CO-OPERATIVE SOCIETIES REGULATION.

No. VII OF 1918.

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REGULATION No. VII OF 1918.

A Regulation to amend the Law relating to Co-operative Societies in Mysore.

(Received the Assent of His Highness the Maharaja, on the 4th day of August 1918.)

WHEREAS it is expedient to amend the law relating to Co-operative Societies in Mysore; His Highness the Maharaja is pleased to enact as follows:—

Preliminary.

Short title, extent and commencement.

1. (1) This Regulation may be called the Mysore Co-operative Societies Regulation, 1918;

(2) It extends to the whole of Mysore; and

(3) It shall come into force on the date of the passing thereof.

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context,—

(*a*) "by-laws" means the registered by-laws for the time being in force and includes a registered amendment of the by-laws;

(*b*) committee" means the governing body of a registered society to whom the management of its affairs is entrusted;

(*c*) "member" includes a person joining in the application for the registration of a society and a person admitted to membership after registration in accordance with the by-laws and any rules made under this Regulation;

(*d*) "officer" includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules or the by-laws to give directions in regard to the business of the society;

(*e*) "registered society" means a society registered or deemed to be registered under this Regulation;

(*f*) "registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Regulation; and

(*g*) "rules" means rules made under this Regulation.

Objects.

Objects of societies.

3. A society shall consist of persons who have for their common object or objects some one or more of the following, namely:—

(1) the furtherance of thrift and providence among the members;

(2) the attraction of capital and the grant of credit to the members;

(3) the supply to members of raw material, seed or manure;

(4) the sale on behalf of members of agricultural produce or of manufactured goods;

(5) the manufacture of goods or growth of produce by the members co-operatively;

(6) the purchase of food-stuffs, clothing or other articles of consumption, or of animals, implements or other stock required in agriculture or industry and their retail sale to members;

(7) the purchase of machinery and its use in common by members;

(8) the building of houses or purchase of lands for members;

(9) the carrying out or development, by joint action of an improvement whether agricultural or industrial;

(10) the insurance of the person, families and property of the members including live-stock co-operatively;

(11) any other object calculated to promote the economic interests of the members of a society in accordance with co-operative principles; and

(12) the facilitating of the operations of a society.

Registration.

The Registrar.

4. The Government may appoint a person to be Registrar of Co-operative Societies for the whole or any portion of Mysore, and may appoint persons to assist such Registrar, and may by general or special order confer on any such persons all or any of the powers of a Registrar under this Regulation.

5. Subject to the provisions hereinafter contained, a society which has as its object some one or more of those specified in section 3 may be registered under this Regulation with or without limited liability. Liability of members.

Provided that the liability of a society of which a member is a registered society shall be limited.

6. Where the liability of the members of a society is limited by shares, no member other than a registered society shall,— Restrictions on interest of member of a society with limited liability and a share capital.

(*a*) hold more than such portion of the share capital of the society, subject to a maximum of one-fifth, as may be prescribed by the rules, or

(*b*) have or claim any interest in the shares of the society exceeding one thousand rupees without the express sanction of the Government.

7. (1) No society, other than a society of which a member is a registered society, shall be registered under this Regulation, which does not consist of at least ten persons above the age of eighteen years. Conditions of registration.

(2) The word "limited" shall be the last word in the name of every society with limited liability registered under this Regulation.

8. (1) For purpose of registration an application to register shall be made to the Registrar. Application for registration.

(2) The application shall be signed,—

(*a*) in the case of a society of which no member is a registered society, by at least ten persons qualified in accordance with the requirements of section 7, sub-section (1); and

(*b*) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society and where all the members of a society are not registered societies, by ten other members or when there are less than ten other members, by all of them.

(3) The application shall be accompanied by a copy of the proposed by-laws of the society and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

9. If the Registrar is satisfied that a society has complied with the provisions of this Regulation and the rules, and that its proposed by-laws are not contrary to the Regulation or to the rules, he may, if he thinks fit, register the society and its by-laws. Registration.

Evidence of registration.

10. A certificate of registration signed by the Registrar shall be conclusive evidence that the society therein mentioned is duly registered unless it is proved that the registration of the society has been cancelled.

Amendment of the by-laws of a registered society.

11. (1) No amendment of the by-laws of a registered society shall be valid until the same has been registered under this Regulation, for which purpose a copy of the amendment shall be forwarded to the Registrar.

(2) If the Registrar is satisfied that any amendment of the by-laws is not contrary to this Regulation or to the rules, he may, if he thinks fit, register the amendment.

(3) When the Registrar registers an amendment of the by-laws of a registered society, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence that the same is duly registered.

Rights and Liabilities of Members:

Exercise of rights of members.

12. No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society as may be prescribed by the rules or the by-laws.

Votes of members.

13. (1) Where the liability of the members of a registered society is not limited by shares, each member shall, notwithstanding the amount of his interest in the capital, have one vote only as a member in the affairs of the society.

(2) Where the liability of the members of a registered society is limited by shares, each member shall have as many votes as may be prescribed by the by-laws.

(3) A registered society which has invested any part of its funds in the shares of any other registered society may appoint as its proxy, for the purpose of voting in the affairs of such other registered society, any one of its members.

Restrictions on the transfer of share or interest.

14. (1) The transfer or charge of the share or interest of a member in the capital of a registered society, shall be subject to such conditions as to maximum holding as may be prescribed by this Regulation or by the rules.

(2) A member shall not transfer any share held by him or his interest in the capital of the society or any part thereof, unless

(*a*) he has held such share or interest for not less than one year, and

(*b*) the transfer or charge is made to the society or to a member of the society.

Duties of Registered Societies.

Address of societies.

15. Every registered society shall have an address, registered in accordance with the rules to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof.

Copy of Regulation, rules and by-laws open to inspection.

16. Every registered society shall keep a copy of this Regulation, of the rules governing such society and of its by-laws open to inspection free of charge at all reasonable times at the registered address of the society.

Audit, inspection and inquiry.

17. (1) The Registrar shall audit or cause to be audited by some person authorised by him or by general or special order in writing in this behalf, the accounts of every registered society once at least in every year.

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the society.

(3) The Registrar, the Deputy Commissioner or any person authorised by general or special order in writing in this behalf by the Registrar may at any time inspect the books, accounts, papers and securities of a society, and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

Privileges of Registered Societies.

Societies to be bodies corporate.

18. The registration of a society shall render it a body corporate by the name und r which it is registered with perpetual succession and a common seal, and with power to hold property, to enter into contracts, to institute and defend suits and other legal proceedings and to do all things necessary for the purposes of its constitution.

Prior claim of society.

19. Subject to any prior claim of the Government in respect of land revenue or any money recoverable as land revenue or of a landlord in respect of rent or any money recoverable as rent, a registered society shall be entitled in priority to other creditors to enforce any outstanding demand due to the society from a member or past member—

(*a*) in respect of the supply of seed or manure or of the loan of money for the purchase of seed or manure—upon the crops or other agricultural produce of such member or person at any time within eighteen months from the date of such supply or loan;

(*b*) in respect of the supply of cattle, fodder for cattle, agricultural or industrial implements or machinery or raw materials for manufacture, or of the loan of money for the purchase of any of the foregoing things—upon any such things so supplied, or purchased in whole or in part from any such loan, or on any articles manufactured from raw materials so supplied or purchased.

Charge and set-off in respect of shares or interest of member.

20. A registered society shall have a charge upon the share or interest in the capital and on the deposits of a member or past member and upon any dividend, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society, and may set-off any sum credited or payable to a member or past member in or towards payment of any such debt.

Shares or interest not liable to attachment.

21. Subject to the provisions of section 20, the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order of a Court of Justice in respect of any debt or liability incurred by such member, and a Receiver appointed under the Mysore Insolvency Regulation, 1911, shall not be entitled to or have any claim on such share or interest.

Transfer of interest on death of member.

22. (1) On the death of a member, a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with the rules made in this behalf, or, if there is no person so nominated, to such person as may appear to the committee to be the heir or legal representative of the deceased member, or pay to such nominee, heir or legal representative as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws.

(2) A registered society may pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

(3) All transfers and payments made by a registered society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

Liability of past member.

23. The liability of a past member for the debt of a registered society as they existed at the time when he ceased to be a member shall continue for a period of two years from the date of his ceasing to be a member.

Liability of the estate of deceased member.

24. The estate of a deceasad member shall be liable for a period of one year from the time of his decease for the debts of a registered society as they existed at the time of his decease.

Register of members.

25. Any register or list of members or shares kept by any registered society shall be *prima facie* evidence of the following particulars entered therein:—

(*a*) the date at which the name of any person was entered in such register or list as a member;

(*b*) the date at which any such person ceased to be a member.

Mode of proof of entries in societies' books.

26. A copy of any entry in a book of a registered society regularly kept in the course of business, shall, if certified in such manner as may be prescribed by the rules, be received in any suit or legal proceeding as *prima facie* evidence of the existence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

Exemption from compulsory registration of instruments relating to shares and debentures of registered society.

27. Nothing in section 17, clauses (*b*) and (*c*) of the Mysore Registration Regulation, I of 1903, shall apply to:—

(1) any instrument relating to shares in a registered society, notwithstanding that the assets of such society consist in whole or in part of immoveable property; or

(2) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immoveable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immoveable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or

(3) any endorsement upon or transfer of any debenture issued by any such society.

Power to exempt from stamp-duty and registration fees.

28. (1) The Government, by notification in the official Gazette, may, in the case of any registered society or class of registered societies, remit:—

(*a*) any tax payable to Government or to a local authority in respect of the profits of the society, or of the dividends or other payments received by the members of the society on account of profits;

(*b*) the stamp-duty with which, under any law for the time being in force, instruments executed by or on behalf of a registered society or by an officer or member and relating to the business of such society, or any class of such instruments, are respectively chargeable;

(*c*) any fee payable under the law of registration for the time being in force.

Property and Funds of Registered Societies.

Registration of loans.

29 (1) A registred society shall not make loan to any person other than a member provided that, with the consent of the Registrar, a registered society may make loans to another registered society.

(2) The Government may, by general or special order, prohibit or restrict the lending of money on the security of moveable or immoveable property or any kind thereof by any registered society or class of registered societies.

Restrictions on borrowing.

30. A registered society may receive deposits and loans from members without restriction, but it shall not receive deposit and loans from persons, who are not members except to such extent and under such conditions as may be provided by the rules or by-laws.

Restrictions on other transactions with non-members.

31. Save as provided in sections 29 and 30, the transactions of a registered society with persons other than members shall be subject to such prohibitions, and restrictions, if any, as the Government may, by rules prescribe.

Deposit of society's Funds.

32. A registered society may invest or deposit its funds:—

(*a*) in the Government Savings Bank, or

(*b*) in the Post Office Savings Bank; or

(*c*) in the shares or on the security of any other society, or

(*d*) with any Bank or person carrying on the business of banking approved for this purpose by the Registrar, or

(*e*) in any other mode permitted by the rules.

Funds not to be divided by way of profit.

33. No part of the funds of a registered society shall be divided by way of bonus or dividend or otherwise among its members:—

Provided that after at least one-fourth of the net profits in any year have been carried to a reserve fund, payments from the remainder of such profits and from any pro-

fits of past years available for distribution may be made among the members to such extent and under such conditions as may be prescribed by the rules or by-laws.

Contribution to charitable purposes.

34. Any registered society, may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding fifteen *per cent* of the remaining net profits to any charitable purpose.

Explanation.—Charitable purpose in this section includes the relief of the poor, education, medical relief and the advancement of any other object of public utility but does not include a purpose which relates exclusively to religious teaching or worship.

Inspection of affairs.

Inquiry by the Registrar.

35. (1) The Registrar may of his own motion, and shall on the request of the Deputy Commissioner or on the application of a majority of the committee or of not less than one-third of the members, hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an enquiry into the constitution, working and financial condition of a registered society.

(2) All officers and members of the society shall furnish such information in regard to the affairs of the society as the Registrar or the person authorised by him may require.

Inspection of booksof indebted society.

36. (i) The Registrar shall, on the application of a creditor of a registered society, inspect or direct some person authorised by him by order in writing in this behalf to inspect the books of the society.

Provided that,—

(*a*) the applicant satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time and;

(*b*) the applicant deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(ii) The Registrar shall communicate the results of any such inspection to the creditor.

Costs of inquiry.

37. Where an enquiry is held under section 35 or an inspection is made under section 36, the Registrar may apportion the costs, or such part of the costs as he may think right between the society, the members or creditor demand-

ing an enquiry or inspection and the officers or former officers of the society.

Recovery of costs.

38. Any sum awarded by way of costs under section 37 may be recovered on application to a Magistrate having jurisdiction in the place where the person from whom the money is claimable actually and voluntarily resides or carries on business by the distress and sale of any moveable property within the limits of the jurisdiction of such Magistrate belonging to such person.

Dissolution of Society.

Dissolution.

39. (1) If the Registrar, after an enquiry has been held under section 35 or after an inspection has been made under section 36 or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may cancel the registration of the society.

(2) Any member of a society may, within two months from the date of any order made under sub-section (1), appeal from such order to the Government.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period.

(4) Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the Government.

Cancellation of registration of society.

40. Where it is a condition of the registration of a society that it should consist of at least ten members, the Registrar may, by order in writing, cancel the registration of the society if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten.

Effect on cancellation of registration

41. Where the registration of a society is cancelled, the society shall cease to exist as a corporate body:—

(*a*) in the case of cancellation in accordance with the provisions of section 39, from the date the order of cancellation takes effect;

(*b*) in the case of cancellation in accordance with the provisions of section 40, from the date of the order.

Winding up.

42. (1) Where the registration of a society is cancelled under section 39 or section 40, the Registrar may appoint a competent person to be liquidator of the society.

(2) A liquidator appointed under sub-section (1) shall have power:—

(*a*) to institute and defend suits and other legal proceedings on behalf of the society by his name of office ;

(*b*) to determine the contribution to be made by the members and past members of the society respectively to the assets of the society ;

(*c*) to investigate all claims against the society and subject to the provisions of this Regulation, to decide questions of priority arising between claimants ;

(*d*) to determine by what persons and in what proportions the costs of the liquidation are to be borne ; and

(*e*) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society.

(3) Subject to the rules, a liquidator appointed under this section shall in so far as such powers are necessary for carrying out the purposes of this section have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means and so far as may be in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure.

(4) Where an appeal from any order made by a liquidator under this section is provided for by the rules, it shall lie to the Court of the District Judge.

(5) Orders made under this section shall on application be enforced as follows :—

(*a*) when made by a liquidator, by any Civil Court having local jurisdiction in the same manner as the decree of such Court ;

(*b*) when made by the Court of the District Judge in the matter of any such appeal as aforesaid, in the same manner as a decree of such Court made in any suit pending therein.

(6) Save in so far as is hereinbefore expressly provided, no Civil Court shall have any jurisdiction in respect of any matter connected with the dissolution of a society under this Regulation.

Amalgamation.

43. (1) Any two or more registered societies may by Amalgamation.

resolutions of both or all such societies passed and registered in accordance with rules made by Government in this behalf become amalgamated together as one registered society with or without any dissolution or division of the funds of such societies or either of them and the properties of such societies shall become vested in the amalgamated society without the necessity of any form of conveyance other than that contained in the resolution amalgamating the societies.

(2) Any registered society may by a resolution passed and registered in like manner transfer its engagements to any other registered society which may undertake to fulfil the engagements of such society.

(3) An amalgamation or transfer of engagements in pursuance of this section shall not prejudice any right of a creditor of any registered society which is a party thereto.

Rules.

Rules.

44. (1) The Government may for the whole or any part of Mysore and for any registered society or class of registered societies, make rules to carry out the purposes of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

(*a*) subject to the provisions of section 6 prescribe the maximum number of shares or portion of the capital of a society which may be held by a member;

(*b*) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society and the procedure in the matter of such applications ;

(*c*) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and abrogating by-laws and the conditions to be satisfied prior to such making, alteration or abrogation

(*d*) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members and the payment to be made and the interests to be acquired before the exercise of the right of membership.

(*e*) regulate the manner in which funds may be raised by means of shares or debentures or otherwise ,

(*f*) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings ;

(*g*) provide for the appointment, suspension and removal of the members of the committee and other officers and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers ;

(*h*) prescribe the accounts and books to be kept by a society and provide for the audit of such accounts, and the charges, if any, to be made for such audit, and for the periodical publication of a balance-sheet showing the assets and liabilities of a society ;

(*i*) prescribe the returns to be submitted by a society to the Registrar and provide for the persons by whom and the form in which such returns shall be submitted ;

(*j*) provide for the persons by whom and the form in which copies of entries in books of societies may be certified ;

(*k*) provide for the formation and maintenance of a register of members, and, where the liability of the members is limited by shares, of a register of shares ;

(*l*) provide that any dispute touching the business of a society between members or past members of the society or persons claiming through a member or past member or between a member or past member or persons so claiming and the committee or any officer shall be referred to the Registrar for decision, or, if he so directs, to arbitration, and prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators, and the enforcement of the decisions of the Registrar or the awards of arbitrators ;

(*m*) provide for the withdrawal and expulsion of members and for the payments, if any, to be

made to members who withdraw or are expelled and for the liabilities of past members ;

(*n*) provide for the mode in which the value of a deceased member's interest shall be ascertained and for the nomination of a person to whom such interest may be paid or transferred ;

(*o*) drescribe the payments to be made and the conditions to be complied with by members applying for loans, the period for which loans may be made, and the amount which may be lent to an individual member ;

(*p*) provide for the formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society;

(*q*) prescribe the extent to which a society may limit the number of its members ;

(*r*) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability, and the maximum rate of dividend which may be paid by a society ;

(*s*) subject to the provisions of section 39, determine in what cases an appeal shall lie from the orders of the Registrar, and prescribe the procedure to be followed in presenting and disposing of such appeals;

(*t*) prescribe the procedure to be followed by a liquidator appointed under section 42 and the cases in which an appeal shall lie from the order of such liquidator; and

(*u*) prescribe the procedure to be observed and conditions to be fulfilled in passing and registering a resolution for amalgamation or transfer of engagements under section 43.

(3) The power to make rules conferred by this section is subject to the condition of the rules being made after previous publication.

(4) All rules made under this section shall be published in the official Gazette, and on such publication have effect as if enacted in this Regulation.

Miscellaneous.

Recovery of sums due to Government.

45. (1) All sums due from a registered society or from an officer or member or past member of a registered

society as such to the Government, including any cost awarded to the Government under section 37 may be recovered in the same manner as arrears of land revenue.

(2) Sums due from a registered society to Government and recoverable under sub-section (1) may be recovered firstly, from the property of the society, secondly in the case of a society of which the liability of the members is limited, from the members subject to the limit of their liability; and thirdly in the case of other societies, from the members.

Power to exempt societies from conditions as to registration.

46. Notwithstanding anything contained in this Regulation, the Government may, by special order in each case and subject to such conditions, if any, as it may impose, exempt any society from any of the requirements of this Regulation as to registration.

Power to exempt registered societies from provisions of the Regulation.

47. The Government may, by general or special order, exempt any society from any of the provisions of this Regulation or may direct that such provisions shall apply to the society with such modifications as may be specified in the order.

Prohibition of the use of the word "co-operative."

48. (1) No person other than a registered society shall trade or carry on business under any name or title of which the word "co-operative" is part without the sanction of the Government.

Provided that nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he traded or carried on business at the date on which this Regulation comes into operation.

(2) Whoever contravenes the provisions of this section shall be punishable with fine which may extend to fifty rupees and in the case of a continuing offence with further fine of five rupees for each day on which the offence is continued after conviction therefor.

Mysore Companies Regulation, 1917, not to apply.

49. The provisions of the Mysore Companies Regulation, 1917, shall not apply to societies registered under this Regulation.

Saving of existing societies.

50. Every society now existing which has been registered under the Mysore Co-operative Societies Regulation, III of 1905, shall be deemed to be registered under this Regulation and its by-laws shall, so far as the same are not inconsistent with the express provisions of this Regulation continue in force until altered or rescinded.

Repeal of Regulation, III of 1905.

51. The Mysore Co-operative Societies Regulation, III of 1905, is hereby repealed.

M. VISVESVARAYA,

Dewan.

GPB—1,200—7-11-18

G. R. S. VI.—S-III/16]

2 DRAFTS

SUBJECT.....

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.....

Section. Legis
File No. 47-19
Serial No. 6

Diary No. of letter replied to.....

No. Pol-817
To Sec. 5

The First Assistant to the Hon'ble the Resident in Mysore.

GENERAL AND REVENUE SECRETARIAT,
( )
, *the*.....191 .

Date of issue 18-2-1919

Signed by C.S. Bangaraya Murthy

SIR,

I am directed to forward herewith 9 copies of the Regulation to amend the law relating to Co-operative Societies in Mysore. (Regulation No. VII of 1918).

.....

.....

I have etc.,

For Chief Secretary to Government.

G. R. S. VI.—S-III/16]

2 DRAFTS.

SUBJECT.....

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Section. Legis
File No. 47-11.
Serial No. 7

Diary No. of letter replied to.....

No. G178 91 / Rule

To The Secretary to the Govt of H.E.H
~~The First Assistant to the Hon'ble~~ ~~the Resident in Mysore.~~
the Nizam of Hyderabad
judicial Dept
Hyderabad (Deccan)

GENERAL AND REVENUE SECRETARIAT,

( )

, the.....*191*

SIR,

I am directed to forward herewith 2 copies of the Regulation to amend the law relating to Cooperative Societies in Mysore. (Regulation No VII of 1918)

Date of issue.....19. I. 19.....

Signed by.....Jnr Madava Rao.....

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I have etc.,

for Chief *Secretary to Government.*

Ans
[illegible]